WASTE. REIMAGINED

BPPL HOLDINGS PLC
ANNUAL REPORT 2025/26

WASTE. REIMAGINED

Transformation always begins with a different way of seeing.

A discarded bottle is often viewed as the end of a story. A finished purpose, or a depleted resource, something to be thrown away and forgotten. But with imagination, intention, and innovation, what appears to have reached its end can become the beginning of something entirely new.

This idea forms the heart of BPPL's journey and just as an artist sees possibility in discarded material, we at BPPL saw opportunity where others saw waste.

Over the past year, amidst changing conditions and industry pressures, we remained focused on sustaining our business while continuing to evolve. Our approach has moved beyond conventional recycling to embrace broader circular solutions while finding new ways to recover, transform, and extend the life of materials that once had limited futures.

Because true sustainability is not about preserving things exactly as they are. It is about unlocking what they can become.

Every idea, every process, and every transformed form within this concept represents the same philosophy that drives us forward: that renewal creates value, resilience creates progress, and thoughtful reinvention creates impact.

Through this transformation, we are ensuring that a more sustainable future takes shape, as we reimagine waste to want.

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CREATING VALUE THROUGH CIRCULAR INNOVATION

At BPPL Holdings PLC, sustainability is not a standalone initiative—it is the foundation of our business model. Every aspect of our operations is designed to transform waste into value, creating products that minimise environmental impact while delivering lasting value to customers, communities and shareholders.

As one of Sri Lanka's leading circular manufacturing groups, BPPL has built an integrated ecosystem where innovation, responsible resource management and operational excellence work together to advance the transition towards a more sustainable future. Through its subsidiaries, Beira Brush (Private) Limited and Eco Spindles (Private) Limited, the Group converts post-consumer plastic bottles and discarded textiles into high-quality recycled raw materials and finished products, demonstrating how circular economy principles can be successfully applied at an industrial scale.

This integrated operating model enables materials to remain in productive use for longer, reduces dependence on virgin resources, diverts significant volumes of waste from landfill, and lowers the environmental footprint of manufacturing operations. By closing the loop between recycling and production, BPPL has created a resilient value chain that delivers both commercial success and measurable environmental outcomes.

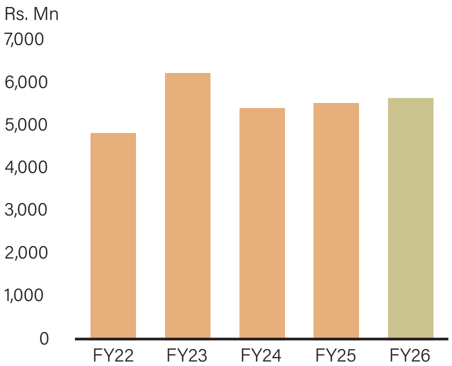
Innovation continues to drive the Group's evolution. Through ongoing investments in advanced manufacturing technologies, product development and sustainable materials, BPPL continues to expand its recycling capabilities, improve operational efficiencies and respond proactively to the evolving needs of global customers seeking environmentally responsible solutions.

Underpinning these achievements is a strong governance framework that embeds environmental, social and governance considerations into strategic decision-making, performance management and stakeholder engagement. This integrated approach ensures sustainability remains central to long-term value creation while strengthening resilience, enhancing competitiveness and supporting responsible growth.

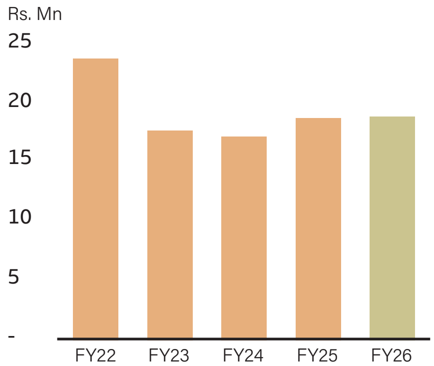
Today, BPPL is more than a manufacturer. It is a sustainability-driven innovator, a circular economy pioneer and a trusted global partner committed to creating products that contribute to a cleaner, more resource-efficient future.

Performance Highlights

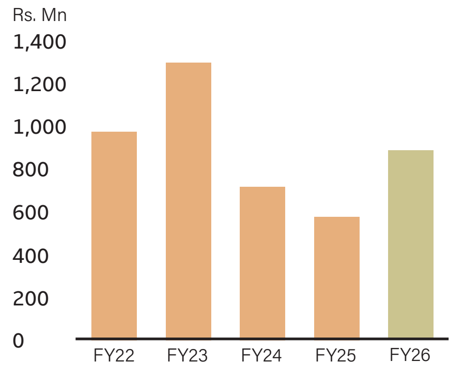
Revenue (Rs.)



Revenue (USD)

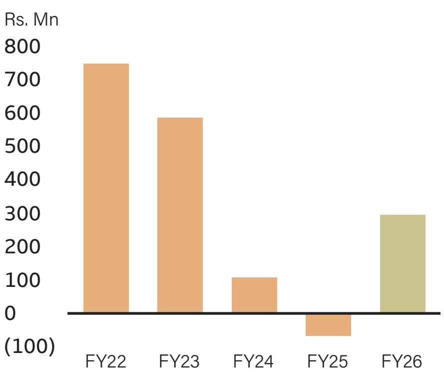


Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)

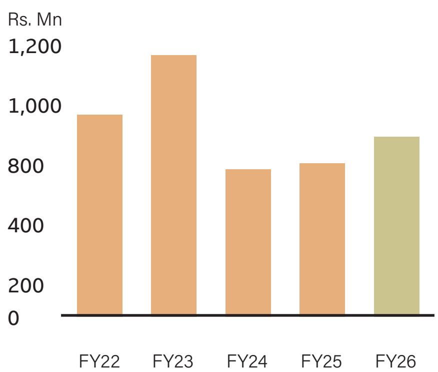


* Includes the Hedging reserve write-off adjustment made against the revenue in line with Sri Lanka Accounting Standards.

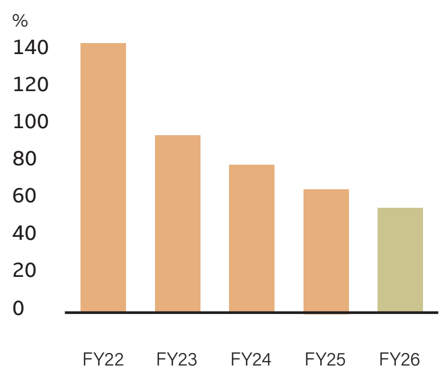
Profit Before Tax (PBT)



Cash Profit

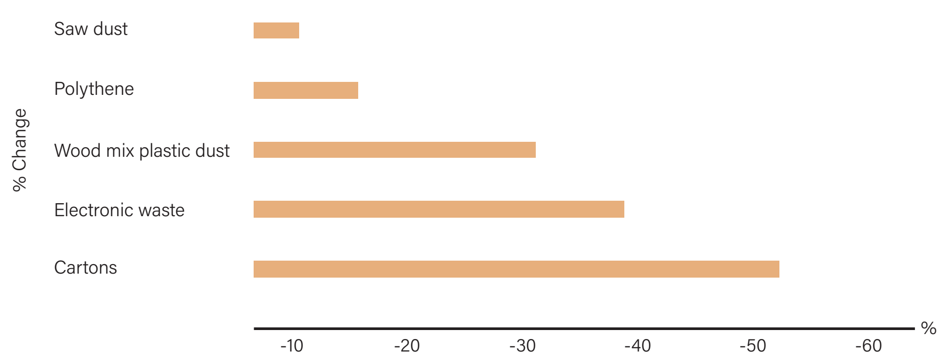


Debt-to-Equity (D/E)

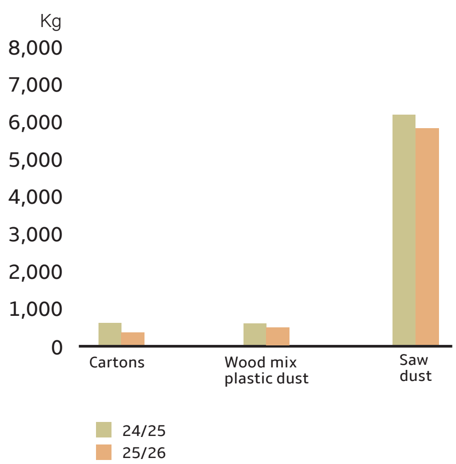


Sustainability Highlights

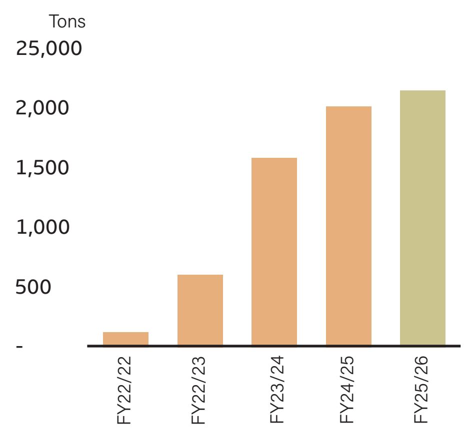
Waste Reduction % — FY24/25 to FY25/26



Waste by Category: FY24/25 vs FY25/26 (kg)



Total MRF Collection (Tons)



Chairman's Message

Subsequent to the end of the financial year under review, the group through Beira Brush Private Limited, entered into a Business Transfer Agreement (BTA) to acquire the customer portfolio and the intellectual property of Ravi Industries Limited (RIL).

Demonstrating resilience amidst a challenging operating environment

Dear Shareholder

It is with pleasure that I present the Annual Report of BPPL Holdings PLC for the year ended 31st March 2026.

During the year under review, BPPL holdings PLC was able to demonstrate resilience amidst a challenging external environment witnessed across its two key business segments, viz, Brush and Yarn operations.

The group was able to maintain its gross margins and operating profits despite the external pressures exerted on revenues and margins, enabled by the relentless focus on operational improvements and innovation at every stage of the business. Whilst the depreciation of the Sri Lanka Rupee would positively affect gross margins, it leads to the recording of unrealized exchange losses arising from the revaluation of US Dollar denominated borrowings.

GROUP FINANCIAL PERFORMANCE

BPPL Holdings PLC recorded a consolidated revenue of Rs. 5.6 billion for the year ended 31st March 2026, as compared to Rs. 5.5 billion recorded for the previous year. The revenue recorded for the previous year included a charge of Rs. 369 million arising from the write-off of the balance in a hedging reserve. A detailed evaluation of the segment wise and group level revenues excluding one off charges is provided in the Management's Discussion and Analysis included in the annual report for the year ending 31st March 2026.

The earnings from operations before finance expenses and taxation (EBITDA) was Rs. 902 million compared to Rs. 569 million, with net earnings after finance related expenses and taxation being Rs. 263 million compared to a negative net earnings after tax of Rs. 55 million recorded in the previous year.

Chairman's Message

The EBITDA and net earnings after tax for the previous year is re-stated in the table below, to provide a much more reflective view of the operational performance compared to the previous year:

Rs. Million	2025 / 26	2024 / 25	% change
Group EBITDA as reported (inclusive of one-off items / hedge reserve in the previous year)	902	569	+59
Group EBITDA excluding one off items / hedge reserve in the previous year	902	992	-9

The decline in EBITDA and net earnings in the current period as compared to the previous year after eliminating one off accounting entries, is attributed primarily to the impact on revenues due to the imposition of tariffs in the US.

The gross margins across all three-business segments improved, demonstrating the ability to sustain operating profits over the short to medium.

Rs. Million	2025 / 26	2024 / 25	% change
Net earnings as reported (inclusive of one-off items / hedge reserve in the previous year)	263	-55	+577
Net earnings excluding one off items / hedge reserve in the previous year	263	311	-16

An amount of Rs. 95 million was recorded being valuation related exchange losses on US dollar denominated borrowings for the period ending 31st March 2026, resulting in lowering of net earnings after tax recorded.

Through prudent allocation of capital across the business segments and efficient management of working capital, we have been able to reduce our debt level with the debt to equity ratio reaching below 50% by the end of the period under review.

SEGMENTAL OPERATING PERFORMANCE AND THE OPERATING ENVIRONMENT

The Brush segment that witnessed a revival in revenues during the previous financial year, had to face a new challenge with the imposition of tariffs by the US during the year under review, initially placed at 20%. This resulted in an immediate drop in volumes from customers in the US as they opted to reduce their inventory levels awaiting further directions on the tariff levels. This was prevalent mostly from customers catering to the home care segments where price related factors primarily drive purchasing behaviors. With the reduction in the tariff rates to 10% towards the latter part of the financial year under review, volumes increased steadily particularly from the customers catering to the industrial and construction related segments.

The continuing focus on operational improvements, use of alternate sources for key materials and supplies, and the adoption of more efficient production and operating processes have enabled the segment to witness an improvement in gross margins from that of the previous financial year.

The Yarn segment was able to maintain revenues at the same level as that of the previous year, and record improved gross margins. However, this segment continues to face price pressures from imported recycled polyester yarn. The import prices of recycled polyester yarn has reduced significantly over the last few years leading to requests for lower prices from our customers, though the production costs have remained at similar levels in US Dollar terms. Countries like China provide manufacturers of Yarn subsidies to improve competitiveness, whilst they are able to derive economies of scale from larger manufacturing plants. The presence of cheaper imported materials, together with price pressures exerted by apparel brands, compels fabric manufacturers to demand significant price reductions.

Draw Textured Yarn (DTY) is currently exempted from the Value Added Tax (VAT) regime, which results in input VAT paid by yarn manufacturers being added to the cost of production, leading to higher cost of locally manufactured DTY as compared to imported yarn as no VAT is incurred on imports. Being the only complete manufacturer of recycled polyester yarn in the Country, we would like to see the withdrawal of this exemption by the Government as part of the simplification of the VAT regime. This will make locally manufactured DTY price competitive, as any VAT incurred on inputs will be either recovered or refunded.

The monofilaments segment was able to record increases in both revenues and gross profits due to higher prices realized from sales to non-captive customers. Sales to other local brush manufacturers increased benefiting from increase in import prices for recycled mono-filaments.

The national recycling rate for post-consumed PET bottles is less than 30%, which is relatively lower than many other countries within the Asian region. The imposition of Extended Producer Responsibility (EPR) will enable to widen the infrastructure and the collection network for post-consumed PET bottles leading to a higher recycling rate. We are hopeful that the relevant authorities will implement the required legislation and necessary mechanisms expeditiously.

STRATEGIC OUTLOOK & WAY FORWARD

Subsequent to the end of the financial year under review, the group through Beira Brush Private Limited (Beira), entered into a Business Transfer Agreement (BTA) to acquire the customer portfolio and the intellectual property of Ravi Industries Limited (RIL). RIL has a significant presence in the industrial brush segment in Europe and the Middle East. The transitioning of the customer base of RIL to Beira by extending Beira's current brush manufacturing operations will enable the Group to further penetrate European and Middle Eastern markets whilst deriving operational efficiencies through leveraging on Beira's manufacturing facilities. This business integration would also enable the de-risking of the customer portfolio being concentrated on the North American geographic segment.

This transition is expected to increase the current export volumes of Beira by over 50%, in addition to the entry into local paint-brush manufacturing operation through RIL's established paint brush manufacturing and sales operation.

We feel that any significant enhancement in volumes and profitability in yarn operations could only be achieved by focusing on innovation and developing value added products to cater to specific customer requirements or to niche segments. Accordingly, we will endeavor over the short to medium term to create strategic alliances and associations that would provide us the ability to harness our manufacturing and operational capabilities in recycled polyester yarn, by extending the product offering and through co-creation with potential partners. However, we have taken immediate steps to reduce the impact of current volatile market conditions on the existing product portfolio through rationalizing and right sizing of operations.

The mono-filaments segment stands to benefit from the transition of the customer and product portfolio from RIL, whilst continuing to improve the quality of its product offering towards capturing relatively higher value customer segments in overseas markets.

At a group level, we will continue to deploy innovation and leverage on the tacit knowledge and competences built in our existing business lines. Accordingly, we will evaluate opportunities for investments in projects focusing on the circular economy and recycling of post consumed products like other forms of plastics such as Polypropylene, HDPE and LDPE. We will endeavor to attain market leadership status in terms of technology and operational capabilities within the selected niche business segments over the medium to long term.

It is imperative that we continuously improve our operating processes and invest in embracing technology, whilst upgrading enterprise resource planning systems to adopt best-in-class industry practices and processes. Our expansion strategies needs to be complemented with a relentless focus on deriving operational efficiency, and development of our human resource pool to be able to adapt to emerging technologies and processes in a swift and agile manner.

All these initiatives are carried out within the boundaries of a sustainability driven business model, where the concern for environment and society permeates across all businesses and operating units, integrating socially and environmentally friendly practices into our operating processes. We also subscribe to all relevant international standards and accreditations, which compels us to continuously enhance our quality and operational management processes, and ensure compliance to evolving regulations and the requirements of our international customers.

We remain confident and positive on the outlook for growth and profitability of the Group over the medium term. We believe that the consolidation of the existing businesses complemented with our demonstrated resilience in facing external challenges, will enable us to create long-term value to our shareholders.

Finally, on behalf of the Board, I take this opportunity to thank the management and staff for their commitment, the resilience demonstrated, and for swiftly responding to the many challenges posed during the year. I would also like to place on record our appreciation to our key stakeholders, our customers and suppliers for the support extended, and being an integral part of our journey through challenging times. We thank our shareholders as well for their continued support and confidence placed on the Board and the management as we steer the Company towards achieving its strategic objectives.

With best wishes,

Dr Anush Amarasinghe
Chairman / Managing Director

Management Discussion & Analysis

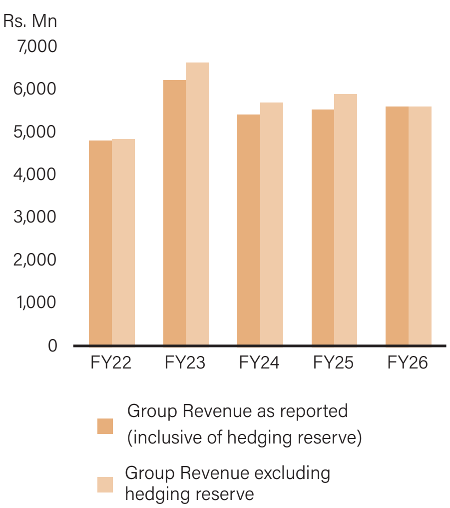
FINANCIAL PERFORMANCE

Revenue

Group revenue recorded for the year ended 31st March 2026 was Rs. 5.6 billion, as compared to Rs. 5.5 billion recorded in the previous financial year, an increase of 2%.

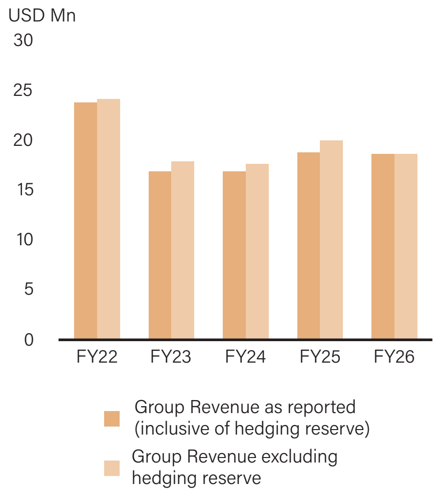
As explained in the Chairman's review, the recorded consolidated revenue for the previous year included an amount of Rs.369 million charged being the balance brought forward in the hedging reserve, in line with requirements of the Sri Lankan Accounting standards. The group revenue recorded during the year under review of Rs. 5.6 billion is a drop of 5% compared to the previous financial year when the one off hedging reserve write off against revenue is eliminated. The following graph depicts the movement in the consolidated revenues over the last 5 financial years, comparing the revenues inclusive of and excluding the one off adjustments against revenue.

Revenue (Rs.)



The movement of consolidated revenue in US Dollar terms with and without the impact of the hedging reserve write off against the revenue is presented in the graph below

Revenue (USD)



The revenues from the brush segment was lower than the previous year in US Dollar terms, as result of the imposition of the tariffs in the US. However, as explained in the Chairman's review, the revenues from the US has since improved from the latter part of the year under and continuous to be in line with our forecasts during the new financial year 2026/27.

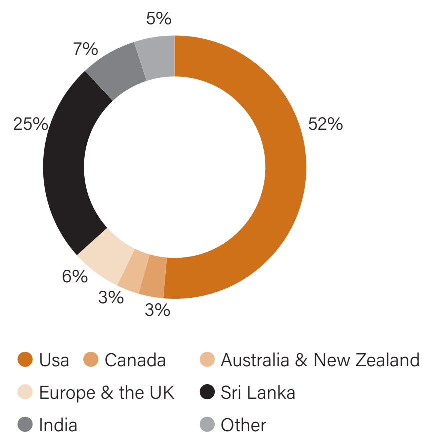
Revenues from Yarn and mono-filament segments during the year under review remained at levels similar to that of the previous year despite the challenging operating environment encountered especially within the yarn segment.

The outlook for revenue for the key segments have been detailed in the Chairman's review presented herewith.

The graphic below depicts the group revenue by key geographic markets, with the Unites States accounting for around 52% of the group revenue. Sales to Sri Lanka which includes indirect exports to fabric and brush manufacturers accounted for 25% of total sales, whilst India accounts for 7% of group sales.

The transition of customer base of Ravi Industries Limited subsequent to the financial year under review, provides direct access to European and Middles Easter markets, which will enable to reduce the risks on exposure to few geographic locations. The transition of business from RIL, will also significantly increase the monthly volumes of Brush exports.

Revenue by Region - 2026



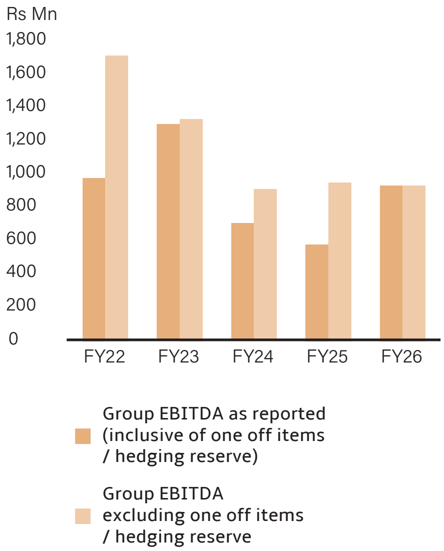
PROFITABILITY

Many operational level initiatives are in place to enhance productivity and operational efficiencies which will not only safeguard our margins, but more importantly enhance our competitiveness in the key operating markets where price is a key buying factor. At a group level the gross margins have improved compared to the previous financial, enabled by the initiatives in place.

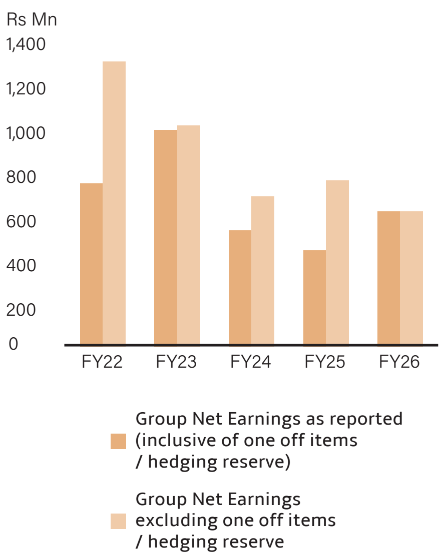
An EBITDA of Rs.902 million was recorded in the year under review from operations, as compared to Rs 569 million in the previous year. However, the EBITDA for the previous financial after excluding the hedge reserve write off is Rs 992 million. The drop in EBITDA compared to the previous year is attributed to the impact on profitability as a result of lower revenue during the year.

The movement in EBITDA excluding one-off items and hedge reserve write-offs over the last five years is depicted in the graph below

EBITDA



Net Earnings



Total Finance expenses recorded during the year was Rs. 266 million as compared to Rs. 223 million in the previous year due to an amount of Rs. 95 million recorded as exchange valuation losses arising on the valuation of US Dollar denominated borrowings due to the depreciation of the Sri Lankan Rupee. The interest expenses reduced to Rs. 171 million from Rs. 229 million in the previous year, reflecting the repayment of long-term borrowings, improved working capital management as well as due to lower prevailing interest rates.

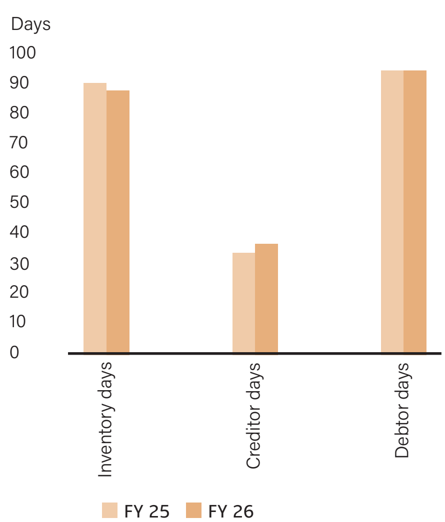
DIVIDENDS

Your Board of Directors declared two interim dividends of 25 cents each per share amounting to a total payout of Rs 153 million during the year under review, out of the cash profits generated in the previous year.

CASH AND CAPITAL

An amount of Rs. 934 million was generated from operations during the year under review before payment of interest and taxes . Working capital ratios remained at similar levels to that of the previous financial year, reflecting prudent working capital management and monitoring practices adopted.

Working Capital Cycle



A net cash flow of Rs. 680 million was generated after payment of interest and income tax, being the amount available for investments in fixed assets, loan repayments and payment of dividends. An amount of Rs. 164 million was deployed for capital expenditure and other investment activities, and amount of Rs. 82 million was invested in financial assets.

DEBT TO EQUITY

We were able to settle part of the long-term loans as well as short-term loans through prudent utilization of surplus cash generated. Accordingly, the Group debt-to-equity ratio fell to 47% from 58% at the end of the previous financial year.

We believe that the current debt levels are sustainable given the envisaged future operating cash flows and will aim to maintain within these levels as we undertake investments in new projects through a combination of debt and own funds.

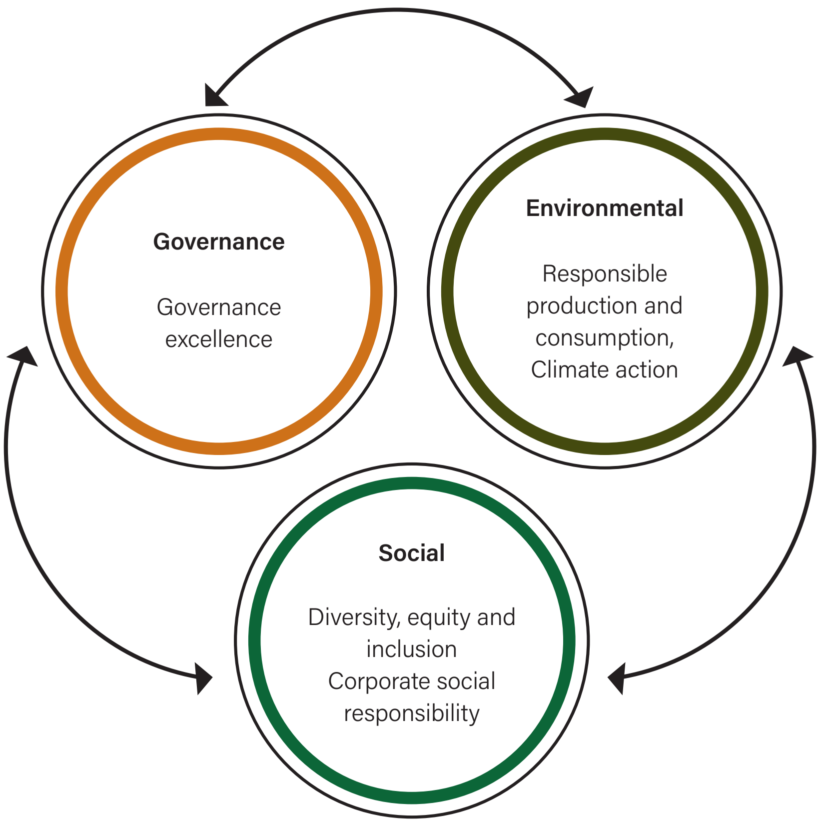
HUMAN RESOURCES DEVELOPMENT

Many initiatives have been undertaken across the operating businesses to enhance employee engagement during the year, which also promotes teamwork and cooperation across different teams and functions. One of the key areas of focus is the building of a competent set of middle management handling operational and other functional areas and ensuring the presence of a clear succession-planning framework for these positions.

An Integrated Operating Framework

SUSTAINABILITY-CENTERED OPERATING MODEL

In 2024/25, BPPL Holdings PLC, a leader in recycling and sustainable manufacturing, continued to embed sustainability at the heart of its operations. Guided by the UN Sustainable Development Goals (SDGs), our approach combines environmental stewardship, social responsibility, and robust governance to create long-term value for stakeholders.



CONNECTIVITY BETWEEN E, S, AND G

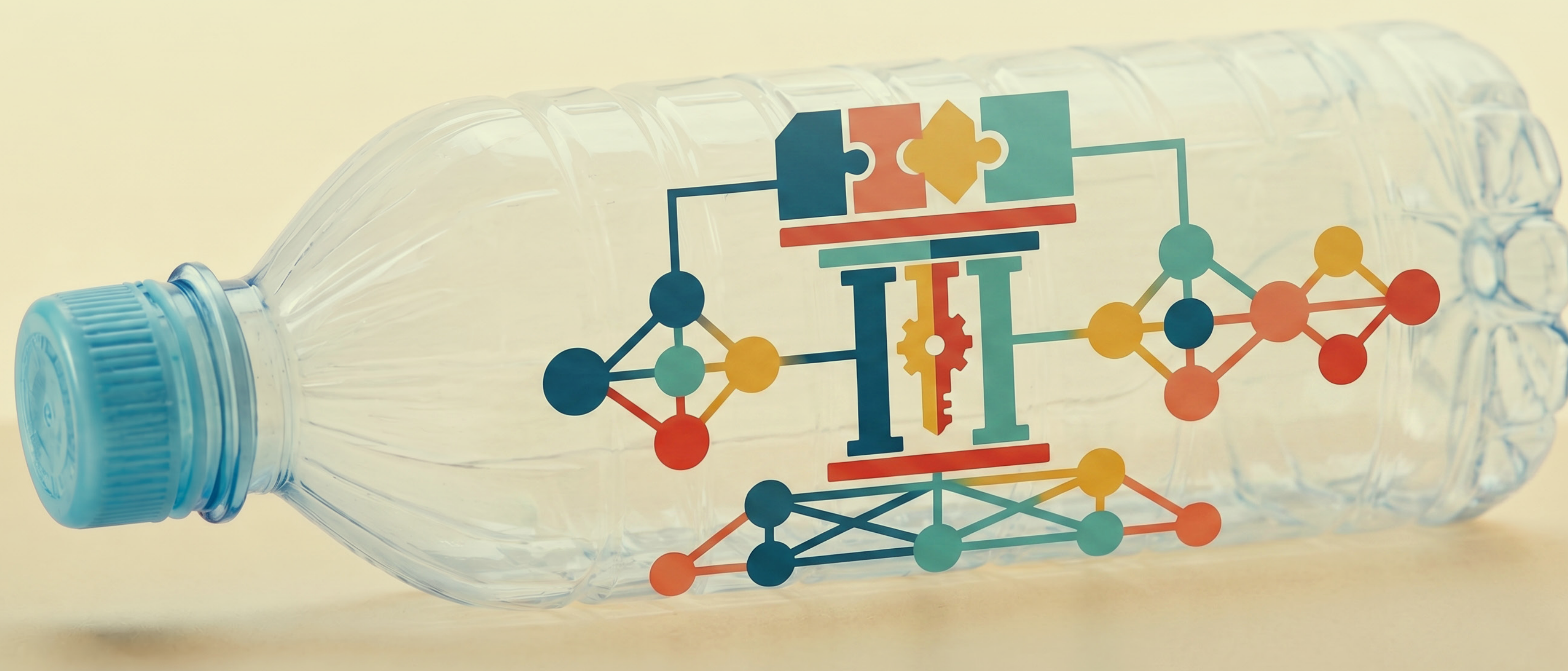
Our Environmental (E) and Social (S) initiatives are not standalone; they are directly connected to and reinforced by Governance (G). Governance provides the structure, oversight, and accountability that ensure environmental and social goals are met, measured, and continuously improved.

- **Environmental initiatives** such as PET bottle collection, renewable energy adoption, and waste reduction are governed by strict compliance protocols, sustainability reporting, and Board-level ESG review.
- **Social initiatives** like fair labour practices, Diversity, Equity & Inclusion programmes, and community engagement are anchored in governance policies that mandate ethical conduct, equal opportunity, and transparent performance metrics.

This integration ensures that every environmental and social action is monitored, validated, and reported with the same rigour as financial performance, aligning the organisation with both shareholder expectations and global sustainability standards.

In combining environmental leadership, social responsibility, and governance excellence, BPPL continues to strengthen its position as a purpose-driven organisation. By ensuring that ESG principles are embedded into decision making, performance monitoring, and stakeholder engagement, we are not only delivering value today but building a sustainable foundation for the future.

GOVERNANCE FRAMEWORK



Board of Directors

DR. ANUSH AMARASINGHE

Managing Director/Chief Executive Officer
(Appointed Chairman on 15th May 2025)

Business Experience
Dr. Amarasinghe holds a Bachelor of Science and a Ph.D. degree in Electronics Engineering from the Loughborough University of Technology, UK, and is a highly experienced investor with many years of hands-on business management experience.

Dr. Amarasinghe began his career as a Research Engineer at Thorn EMI Central Research Laboratories, UK where he patented two inventions on low cost, low energy consuming electronic ballasts for lighting equipment. Between 1993 and 1998, Dr. Amarasinghe worked at SG Securities as an investment research analyst and subsequently as an investment banker. He was an early investor in Millennium Information Technologies (MillenniumIT) and in 1999 joined MillenniumIT as its Chief Financial Officer. He was elected to the Board in 2001 and was appointed as its Chief Operating Officer in 2004. In 2009, MillenniumIT was sold to the London Stock Exchange Group, UK, and Dr. Amarasinghe left the company in 2012, after serving a mandatory three-year post-sale agreement.

Whilst at MillenniumIT, Dr. Amarasinghe was also a founding partner and investor in E-Channelling. Dr. Amarasinghe was also a director and an early investor in Alumex Anodising and Machine Tools (Pvt) Limited. BPPL Holdings PLC (BPPL) is Dr. Amarasinghe's most recent investment. He acquired the company in 2012.

Other Directorships
Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited
Infinity Capital (Pvt) Limited
BBL General Trading L.L.C

MR. RANIL PRASAD PATHIRANA

Non-Executive Director

Business Experience
Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Pvt) Limited.

Mr. Pathirana is also the Chairman of Windforce PLC and a Non-Executive Director of Hemas Holdings PLC, BPPL Holdings PLC, Dankotuwa Porcelain PLC, Ceylon Hotels Corporation PLC.

He is a Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

MR. B D PRASAD DEVAPRIYA PERERA

Executive Director

Business Experience

Mr. Perera, who is a science graduate with a second class from the University of Colombo and a certified Director of the Sri Lanka Institute of Directors, is the chief operating officer at Beira Brush (Pvt) Limited. Starting his career at BPPL as a Management Trainee in 1991, Mr. Perera has served the Company for 34 years in various capacities. His previous employment was at Brandix Lanka Limited, as a sectional head.

Mr. Perera also holds Director positions at Beira Brush (Pvt) Limited, Eco Spindles (Pvt) Limited and BPPL Enterprises (Pvt) Limited.

Other Directorships

Beira Brush (Pvt) Limited
Eco Spindles (Pvt) Limited
BPPL Enterprises (Pvt) Limited
BBL General Trading L.L.C

RIZAN JIFFREY

Executive Director / CFO

Rizan Jiffrey, counts over 33 years of experience, having worked for leading local and multi-national companies in Sri Lanka, and within South East Asian region.

Rizan is a Fellow Member of the Chartered Institute of Management Accountants - UK (CIMA) and holds a M.Sc in Management from the University of Sri Jayawardenapura Sri Lanka. He is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka, holds a Diploma in Marketing from the Chartered Institute of Marketing–UK (CIM), and has completed the examinations of the Australian Computer Society (ACS). Rizan is an alumnus of the executive education program at the Said Business School, University of Oxford UK.

Rizan held senior level positions within Goodhope Asia Holdings Ltd, Singapore, the overseas Oils and Fats segment of Carson Cumberbatch PLC. Rizan functioned as the Director – Processing Operations, overseeing processing plants and manufacturing operations of the Group in Malaysia and Indonesia. He was as the Director – Projects and Business Development, responsible for setting up all large-scale capacity enhancement projects & processing units in Indonesia and Malaysia. He has also provided leadership to corporate finance, strategic & corporate planning and strategic business development initiatives in new overseas locations, during his tenure with Goodhope Asia Holdings Ltd.

Rizan served on the Council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka Division during the period 2005-8.

Board of Directors

DINESH DHARMADASA

Senior Independent Director

Mr. Dinesh Dharmadasa is a veteran in finance, regulatory strategy, and stakeholder relations. A Fellow of both CA Sri Lanka and CIMA (UK), he served as Director – Legal and External Affairs and Company Secretary at Ceylon Tobacco Company PLC, and later chaired the Industrial Association of Sri Lanka. Dinesh also held a board position at the Ceylon Chamber of Commerce and currently serves as a Non-Executive Director at HNB General Insurance and Expack Corrugated Cartons PLC.

NATASHA BORALESSA

Independent Non-Executive Director

Ms. Natasha Boralessa is an Independent Non-Executive Director of BPPL PLC and serves on the Audit & Remuneration Committee. She brings over 25 years of leadership experience across the end-to-end apparel manufacturing value chain, spanning Sri Lanka, India and Bangladesh. She served on the Board of Brandix Apparel Limited from 2017 to 2024 as the functional Director responsible for governance, enterprise risk management, compliance, occupational health and safety, and environmental and social sustainability. Her earlier career includes Chief Executive Officer roles at Ocean India, Stirling Group (Pvt) Ltd and Stretchline (Pvt) Ltd, She is a fellow member of the Chartered Institute of Management Accountants (CIMA), UK, and a CGMA.
She also serves as an Independent Non-Executive Director of DIMO PLC, where she chairs the Audit Committee, and of Ceylinco Life PLC.

MOHAMED ADAMALY

President's Counsel
LL.B. (Hons), Dip.M, MCIM (UK)
Independent Non-Executive Director

Mr. Mohamed Adamaly, President's Counsel, LL.B. (Hons), Dip.M, MCIM (UK), is a distinguished legal professional with over three decades of expertise in commercial law, banking, insurance, and corporate restructuring. He has held board roles across listed and private sector companies, including Amana Bank PLC and Bogala Graphite Lanka PLC. In addition to his legal practice, Mohamed is a respected educator and communicator, with a background in marketing and a national TOYP Award winner for his contributions to drama and literature.

Key Management Profiles

MR. NALAKA SENAVIRATHNA

Chief Executive Officer – Yarn Operations,
Eco Spindles (Pvt) Ltd

Business Experience

Mr. Nalaka Senavirathna brings over 17 years of extensive experience in the textile and apparel industry. Prior to joining Eco Spindles in March 2020, he held senior leadership positions at MAS Holdings, a globally renowned apparel manufacturer, where he led product development, innovation, and sourcing functions. He also served as the General Manager/Country Head for Unifi Inc. USA, a leading global manufacturer of PET recycled yarn. Over the course of his career, Mr. Senavirathna has collaborated with some of the world's most prestigious international brands, including Nike, Adidas, Lululemon, Decathlon, M&S, and Victoria's Secret.

He holds an MBA from the University of West London and a BSc (Chemistry Special) Hons. from the University of Colombo. In addition, he has earned an LLB from Buckinghamshire New University, UK, a Higher Diploma in Law from the University of Edhat, and an Advanced Diploma in Textile from the Sri Lanka Institute of Textile and Apparel. A Fellow Member of the Chartered Professional Managers (FCPM), Mr. Senavirathna also contributes to academia as a guest lecturer at several universities and professional institutes in Sri Lanka.

Furthering his academic and professional pursuits, he has successfully completed his Attorney-at-Law (AAL) qualification at Sri Lanka Law College with a Second Class and is currently reading for a PhD in Commercial Law at Great American University.

MR. PRASANTHA MALIMBADAGE

Chief Executive Officer – Recycling Operations,
Eco Spindles (Pvt) Ltd,
Chief Project Officer - BPPL Holdings PLC

Business Experience

Mr. Malimbadage is a determined and focused leader with over 15 years of professional experience. Since joining BPPL Holdings in 2009, he has consistently demonstrated strong communication and organizational skills, a positive attitude, and the ability to adapt to any working environment. Throughout his career, Mr. Malimbadage has steadily risen through the ranks, showcasing his dedication and commitment to excellence.

Currently, Mr. Malimbadage oversees the recycling operations at Eco Spindles and new projects in the group, where he plays a pivotal role in driving efficiency and sustainability within the organization. His expertise and leadership have been instrumental in optimizing the recycling processes and ensuring adherence to environmental standards.

Mr. Malimbadage holds an MBA from the University of Wolverhampton UK, a Masters in Manufacturing Management from the University of Colombo, a Diploma in International Trade, Shipping & Logistics from the Institute of Commercial Studies and a BSc in Applied Sciences from the Rajarata University of Sri Lanka.

MR. RUWAN MALAWARAGE

Deputy General Manager – HR & Administration,
BPPL Holdings PLC

Business Experience

Mr. Malawarage is a highly accomplished professional with an extensive background in Human Resources management and administration. With over 20 years of hands-on experience in Human Resources, he brings a wealth of knowledge and expertise to his role.

Mr. Malawarage holds a BSc in Human Resources Management (Special) from the University of Sri Jayewardenepura and has further pursued his professional development by obtaining certification in Professional Human Resource from SHRM - USA.

Mr. Malawarage joined the group in August 2018. Prior to joining the organization, he has held key positions in several leading companies in the apparel and plastic industries. His strong educational foundation, combined with his extensive practical experience, enables him to effectively navigate the complex challenges of human resources management.

MS. VERNEE KULARASAN

Deputy General Manager – Finance
BPPL Holdings PLC

Business Experience
Ms. Kularasan has over 30 years of experience in the field of finance. She began her career at PricewaterhouseCoopers, where she served as an Audit Senior for a period of 3 years, gaining valuable insights into financial auditing and assurance.

Since joining BPPL in 1996, Ms. Kularasan has played a pivotal role in the organization's finance department, accumulating vast experience in all aspects of manufacturing accounts. She has also been actively involved in the preparation of final accounts for the Group, consolidating financial information and providing accurate and timely reports.

Ms. Kularasan holds a BCom from the University of Colombo. Furthermore, as an esteemed professional she is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), Member of the Certified Practicing Accountants of Australia (CPA), Member of the Institute of Certified Management Accountants of Sri Lanka (CMA), and a Member of the Institute of Chartered Professional Managers of Sri Lanka (CPM).

MR. THARINDU BOKANDA

Deputy General Manager – Yarn Operations, Eco Spindles (Pvt) Ltd

Business Experience
Mr. Tharindu Bokanda is a result-oriented strategic and operational management specialist with over 10 years of experience in the manufacturing sector. He has served as an external lean consultant for leading companies such as Hela Clothing, Bonville, Aqua Dynamics, and Aero Dynamics. During his nine-year tenure at Stretchline (Pvt) Ltd, a subsidiary of MAS Holdings, he played a pivotal role in strategic and operational planning, driving manufacturing excellence, advancing lean transformation initiatives, and implementing specialized lean tools across the organization.

He holds an MBA from the University of Colombo and a BSc in Engineering from the University of Moratuwa. His professional development has been further strengthened through advanced training by Toyota consultants affiliated with the Toyota Engineering Corporation, coupled with exposure to world-class manufacturing facilities including Toyota Corporation in India and Hyundai Motor Corporation in China.

Mr. Bokanda is a Lean Leader Black Belt certified by the Center for Lean Excellence, Singapore, and holds the TPS Certification – Grade 4 from the TMS & TPS Certificate Institution, Japan. He is also a Certified Energy Expert under the EnMS Expert Training Program conducted by the National Cleaner Production Centre, Sri Lanka, in collaboration with UNIDO.

MR. MITHILA DAYATILLEKE

Head of Sales, Beira Brush (Pvt) Ltd
Head of Sales - Monofilaments, Eco Spindles (Pvt) Ltd

Business Experience
With over 13 years of distinguished service at Beira Brush and Eco Spindles, Mr. Mithila Dayatilleke currently spearheads the sales operations for the Monofilament businesses of both companies. In this leadership role, he is instrumental in driving commercial growth, expanding the customer base, strengthening client partnerships, and capturing new market opportunities.

In addition to sales, Mr. Dayatilleke oversees the strategic planning of material imports, encompassing forecasting, trend analysis, and inventory management to ensure supply chain efficiency and resilience. His earlier career experience at Brandix Intimates and MAS Intimates has further enriched his expertise, equipping him with strong industry knowledge and commercial acumen.

Over the past year, he has played a pivotal role in onboarding new US-based customers and advancing innovative product developments. Looking ahead, his strategic priorities include broadening the company's international sales footprint, attracting new customers, and entering untapped markets to reinforce global competitiveness.

Mr. Dayatilleke is a Chartered Global Management Accountant (CGMA) and an Associate Member of the Chartered Institute of Management Accountants (CIMA), UK. He is also a Full Member of CPA Australia and holds a Master of Business Administration (MBA) from the University of Wolverhampton, UK.

Corporate Governance Review

The Group's framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practices, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practices, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation and transparency.

STEWARDSHIP

Corporate governance and risk management combine to define how we conduct business at BPPL Holdings PLC. Together they form our playbook, articulating our vision, values and philosophy, providing structure for decision making at appropriate levels. Finely balanced to drive efficiency and innovation while providing sufficient safeguards to preserve value, they facilitate careful stewardship of the Company.

The Board is committed and oversees the conduct of the Company's business ethically and maintains the highest standards of Corporate Governance. The Board also ensures enhancement of stakeholders' value whilst ensuring that proper internal control systems are in place by complying with the generally accepted Corporate Governance practices such as,

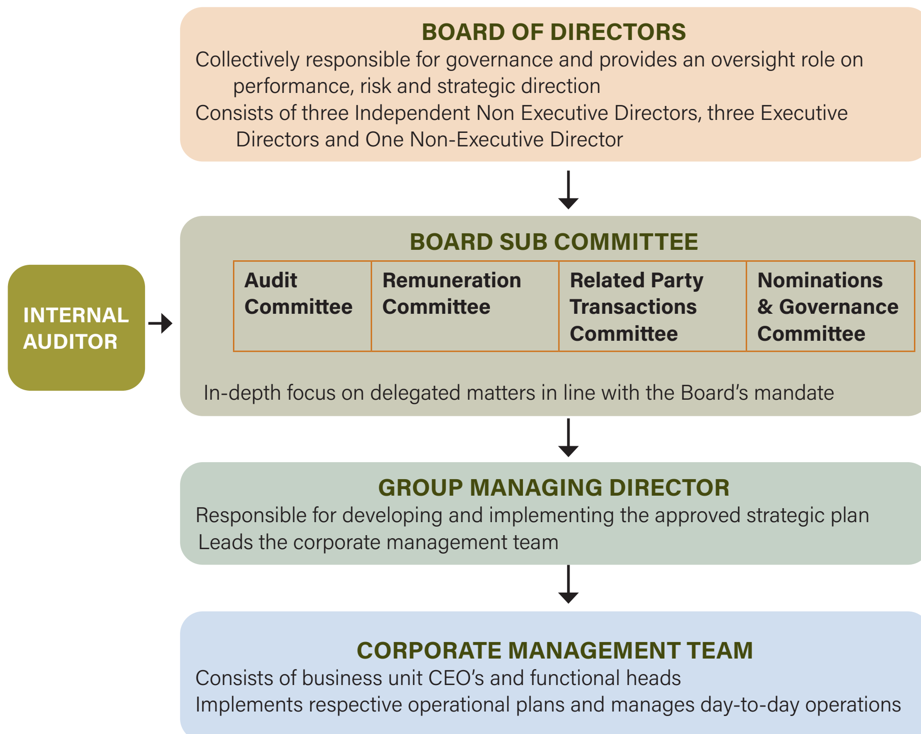
LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE)

Companies Act No. 07 of 2007 and,
Corporate Governance best practices stipulated jointly by the Securities & Exchange Commission (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Company's Corporate Governance framework is designed to ensure transparency and a good governance system leading towards enhancing profitability and long-term economic and environmental sustainability.

CORPORATE GOVERNANCE STRUCTURE

The Company's Governance Framework is depicted in the following diagram.



COMPOSITION OF THE BOARD

The Board has the overall responsibility and accountability for the management of the affairs of the Company, maintenance of prudent risk management practices and safeguarding stakeholder rights. The Board is currently comprised of seven Directors consisting of three Executive Directors and four Non-Executive Directors. Out of the four Non-Executive Directors, three are independent and their independent outlook is to bring an independent view and judgment to the Board with their wide range of expertise and significant experience. There is significant balance of power, minimizing the tendency for one or few members of the Board to dominate the Board processes or decision making. Brief profiles of the Directors are set out on Pages 16 to 19.

Name of the Director	Executive	Non-Executive	Independent
Dr. K A Amarasinghe	√		
Mr. R P Pathirana		√	
Mr. B D P D Perera	√		
Mr. M R Jiffrey	√		
Mr. U K D Dharmadasa		√	√
Ms. N M Boralessa		√	√
Mr. M Adamaly		√	√

FIT & PROPER ASSESSMENT

The Company's fit and proper assessment for Directors and CEO is in line with the guidelines set out in the Listing Rules and includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Directors and CEO satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

OPERATION OF THE BOARD

Board meetings are held on a quarterly basis with the flexibility to arrange ad-hoc meetings to supplement these when required. Meetings are arranged well in advance with the agenda and information relating to matters set before the Board are circulated at least one week in advance facilitating sufficient time for due consideration of the same. The Board met 4 (four) times during the year under review. The attendance of the Directors at Board meetings during the financial year ended 31st March 2026 are as follows:

Name of the Director	Role	Board Meetings
Dr. K A Amarasinghe	ED/Managing Director/CEO/ Chairman	4/4
Mr. R P Pathirana	NED	3/4
Mr. B D P D Perera	ED/Director-Factory operations	4/4
Mr. M R Jiffrey	ED/CFO	4/4
Mr. U K D Dharmadasa	INED/SID	3/3
Ms. N M Boralessa	INED	2/3
Mr. M Adamaly	INED	3/3

SENIOR INDEPENDENT DIRECTOR (SID)

Considering that the Chairperson is an Executive Director, a Senior Independent Director has been appointed in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson, at least once a year to evaluate the effectiveness of the Chairperson and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or Committees of the Board as appropriate.

The report of the Senior Independent Director is presented in Page 31 of this report.

SUB COMMITTEES TO THE BOARD

The Board has delegated some of the functions to four Board sub committees, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee which operate within clearly defined terms of reference. Each Sub Committee consists of three Non-Executive Directors and is chaired by a Non-Executive Independent Director.

1. Audit Committee

The Audit Committee is required to help the Company achieve a balance between conformance and performance. It is responsible for reviewing the function and process of internal controls in the Company and ensuring the effectiveness of the controls. The committee also reviews the Financial Statements of the Company to monitor the integrity of same. Furthermore, all audit activities are monitored by the committee to ensure compliance and adherence to statutory and regulatory requirements and industry best practices.

Senior Independent Director updates the Board at regular intervals of the outcome of its meetings and circulates the minutes of its meetings. The Audit Committee consists of the following three Non-Executive Directors, two of whom are Independent:

Mr. U K D Dharmadasa -
Chairman - Non-Executive Independent Director
Mr. R P Pathirana -
Member - Non-Executive Director Non-Independent Director
Ms. N M Boralessa -
Member - Non-Executive Independent Director

The Company Secretary serves as its Secretary. The Board has appointed a group internal auditor to carry out the internal audit functions as directed by the Audit Committee and submit their findings. The Internal Auditor and the Chief Financial Officer (CFO) are invited to attend the meetings. Other Senior Executives are invited to attend where necessary.

The Audit Committee held four meetings for the financial year ended 31st March 2026. Audit Committee Report on Page 32 describes the activities carried out during the financial year ended 31st March 2026.

2. Remuneration Committee

Remuneration Committee ensures that the Company has well–established, formal and transparent procedures in place for developing an effective remuneration policy for both Executive and Non-Executive Directors. No Director is involved in deciding his/her own remuneration to avoid potential conflicts of Interest. The committee is also responsible for setting up the remuneration policy and providing guidelines to the Board on the overall remuneration framework (including setting performance incentives and targets) to ensure that remuneration levels are sufficient to attract and retain the caliber of professionals required for the successful management and operations of the Company. The Remuneration Committee consists of the following three Non-Executive Directors two of whom are Independent:

Mr. M Adamaly -
Chairman - Non-Executive Independent Director
Mr. R P Pathirana -
Member - Non-Executive Director Non-Independent Director
Ms. N M Boralessa -
Member - Non-Executive Independent Director

The Remuneration Committee held three meetings for the financial year ended 31st March 2026. The report on the Remuneration Committee is on Page 34 and highlights its main activities.

3. Related Party Transactions Review Committee

The Related Party Transactions Review Committee ensures that the interest of shareholders as a whole is taken into account when engaging in transactions with related parties. The Related Party Transactions Review Committee consists of the following three Non-Executive Directors two of whom are Independent:

Mr. U K D Dharamdasa -
Chairman - Non-Executive Independent Director
Mr. R P Pathirana -
Member - Non-Executive Director Non-Independent Director
Ms. N M Boralessa -
Member - Non-Executive Independent Director

The Related Party Transaction Committee held four meetings for the financial year ended 31st March 2026. The report of the Related Party Transactions Review Committee is on Page 35 and highlights its main activities.

4. Nominations and Governance Committee

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE"), the Company constituted its Nominations and Governance Committee from 1st October 2024. The Nomination and Governance Committee of the company fulfilled its duties by overseeing the Board nomination process, succession planning, and ensuring strong governance practices. The Nominations and Governance Committee consists of the following three Non-Executive Directors two of whom are Independent:

Ms. N M Boralessa -
Chairperson - Non-Executive Independent Director
Mr. M Adamaly -
Member - Non-Executive Independent Director
Mr. Ranil Pathirana -
Member - Non-Executive Director

The Nominations and Governance Committee held one meetings for the financial year ended 31st March 2026. The report of the Nominations and Governance Committee is on Page 36 and highlights its main activities.

MANAGING CONFLICTS OF INTERESTS AND ENSURING INDEPENDENCE

The Company takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict with, the interests of the Group. In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, at appointment, at the beginning of every financial year and during the year as required. Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. Details of companies in which Board members hold Board or Board Committee memberships are available with the Company Secretary for inspection by shareholders, on request.

COMPLIANCE

Statement of Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Each of the Non-Executive Directors have submitted a declaration of their independence/non-independence pursuant to Rule 9.8.5 (a) of the Listing Rules of the Colombo Stock Exchange and the Board of Directors have made an annual determination as to the independence/non-independence of each Non-Executive Director based on their declarations pursuant to Rule 9.8.5 (b) of the Listing Rules of the Colombo Stock Exchange. Accordingly, the following Directors are determined to be Independent Non-Executive Directors:

Mr. U K D Dharamadasa
Ms. N M Boralessa
Mr. M Adamaly

As a responsible organization, BPPL Holdings PLC adheres to the following regulations, code and best practices published by different Government bodies.

- Companies Act No. 7 of 2007.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Code of Best Practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- Corporate Governance requirements listed under Section 7 & 9 of the listing Rules Issued by the Colombo Stock Exchange
- Listing Requirements of the Colombo Stock Exchange
- Inland Revenue Act No.24 of 2017
- Foreign Exchange Act No 12 of 2017
- Customs Ordinance
- Employees Provident Fund Act No 15 of 1958
- Employees Trust Fund Act No 46 of 1980
- Payment of Gratuity Act No 12 of 1983
- Factory Ordinance No 45 of 1942
- Shop and Office employees Act No 15 of 1954
- Workman Compensation Ordinance No 19 of 1934
- Maternity Benefits Ordinance No 32 of 1939

Key Internal Policies

- Recruitment Policy & Procedure
- Non Discrimination and Equal opportunities
- Employee Promotion Policy
- Anti-bribery and Corruption Policy
- Grievance Handling Policy and Procedure
- Prevention of Harassment and Bullying
- Child Labour and Remediation Policy
- Freedom of Association and Collective Bargaining
- Employee Discipline Policy & Procedure

Corporate Governance Review

STATEMENT OF COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS SECTION 7.6 - CONTENT OF THE ANNUAL REPORT, ISSUED BY THE COLOMBO STOCK EXCHANGE

Rule	Requirement	Compliance Status	Disclosure Reference
7.6 (i)	Names of persons who were Directors during the financial year	In Compliance	Board of Directors
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	In Compliance	Management Discussion and Analysis, Annual Report of the Board of Directors and Financial Statements
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, number of public shareholders and minimum required public shareholding	In Compliance	Investor Information
7.6 (v)	Directors' and CEO's (MD's) holding in shares at the entity at the beginning and end of the Financial year	In Compliance	Note 29.4 to the Financial Statements
7.6 (vi)	Material foreseeable risk factors of the entity	In Compliance	Risk Management and Risk Heat Map
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	In Compliance	Annual Report of the Board of Directors
7.6 (viii)	Extents, locations, valuations, number of buildings	In Compliance	Note 3 to the Financial Statements
7.6 (ix)	Number of shares representing the Entity's stated capital	In Compliance	Investor Information
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	In Compliance	Investor Information
7.6 (xi)	Ratios and Market Price Information	In Compliance	5 Year Summary and Investor Information
7.6 (xii)	Changes in Entity's and subsidiaries' fixed assets and market value of land	In Compliance	Note 3 and Note 4 to the Financial Statements
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement	Not Applicable	The Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of employee share ownership or stock option schemes	Not Applicable	The Company has no share option/ purchase schemes made available to its employees
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	In Compliance	Corporate Governance Commentary
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	In Compliance	Note 29 to the Financial Statements and Report of the Related Party Transactions Review Committee
7.6 (xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/ or Shariah Compliant Debt Securities listed on the CSE	Not Applicable	The Company had no Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE

STATEMENT OF COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS SECTION 9 – CORPORATE GOVERNANCE, ISSUED BY THE COLOMBO STOCK EXCHANGE

Rule	Requirement	Compliance Status	Disclosure Reference
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	In Compliance	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in this table
9.2.1	The Company shall establish and maintain the policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website	In Compliance	The Company has implemented the policies, which have been disclosed on the Company website along with information regarding their existence and implementation details
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not Applicable	There has been no waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted
9.2.3 (i)	List of policies in place as per Rule 9.2.1, with reference to website	In Compliance	The Company has published the information in the corporate website
9.2.3 (ii)	Any changes to policies adopted	Not Applicable	There has been no changes to the policies throughout the year
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee	In Compliance	The said Committees have been established with written Terms of Reference and the composition in line with the requirements under the Rules
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	In Compliance	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above
9.4.2	a) The policy on effective communication and relations with shareholders and investors b) The contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	In Compliance	The company has established a policy to effectively communicate with shareholders and investors, which is outlined in both the Annual Report and on the website
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-complied reasons for the same with proposed remedial action	In Compliance	The Company has adopted policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule
9.6.2	The Chairperson of every Listed Entity shall be a Non-Executive Director and the position of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below		The Chairperson was appointed with effect from 15th May 2025. (Profile of the Chairperson is provided on page 16) Chairperson performs the role of the CEO. Accordingly, a Senior Independent Director has been appointed.

Corporate Governance Review

Rule	Requirement	Compliance Status	Disclosure Reference
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	In Compliance	Statement by the Senior Independent Director
9.6.4	Rationale for appointing Senior Independent Director	In Compliance	Statement by the Senior Independent Director
9.7.5 (a)	A statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	In Compliance	Corporate Governance Commentary
9.7.5 (b)	Any non-compliance/s by a Director and/or the CEO with the Fit and Proper Assessment Criteria and the remedial action taken.	Not Applicable	No non-compliances were reported during the year
9.8.5	Names of Directors determined to be 'independent'	In Compliance	Corporate Governance Commentary
9.9	Alternate Directors	Not Applicable	No Alternate Directors appointed during the financial year
9.10.4	Directors Details	In Compliance	
	a) Name, qualifications and brief profile		a) Board of Directors
	b) Nature of his/her expertise in relevant functional areas		b) Board of Directors
	c) Whether either the Director or Close Family Members has any material business relationships with other Directors		C) Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company.
	d) Whether Executive, Non-Executive and/or independent Director		d) Board of Directors
	e) Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)		e) Board of Directors
	f) Number of Board meetings attended		f) Operation of the Board' of Corporate Governance Commentary
	g) Names of Board Committees in which the Director serves as Chairperson or a member		g) Sub Committees to the Board' of Corporate Governance Commentary
	h) Attendance of board committee meetings		h) Committee Reports
	i) Terms Of Reference and powers of Senior Independent Director		i) Statement of Senior Independent Director
9.11.6	Nominations and Governance Committee Report signed by Chairperson Nominations and Governance Committee Report shall include the disclosures referred to in 9.11.6	In Compliance	Report of the Nominations and Governance Committee
9.12.8	Remuneration Committee Report a) Names of chairperson and members with nature of directorship b) Remuneration Policy c) The aggregate remuneration of the Executive and Non-Executive Directors	In Compliance	Report of the Remuneration Committee and Note 20 to the Financial Statements

Rule	Requirement	Compliance Status	Disclosure Reference
9.13.5	(1) The Audit Committee shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain the disclosures referred to in 9.13.5 (2)	In Compliance	Report of the Audit Committee
9.14.8 (1)	Related Party Disclosures Non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format) whichever is lower of the Group as per Financial Statements	Not Applicable	There were no non-recurrent Related Party Transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets,
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	In Compliance	Note 29.2 to the Financial Statements and Report of the Related Party Transactions Review Committee
9.14.8 (3)	Related Party Transactions Review Committee Report - Names of the Directors comprising the Committee - Statement that committee has reviewed RPTs and communicated comments/observations to the Board - Policies and procedures adopted by the Committee	In Compliance	Report of the Related Party Transactions Review Committee
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	In Compliance	Annual Report of the Board of Directors
9.16	Additional disclosures by Board of Directors Declaration on the following: - All material interests in contracts and have refrained from voting on matters in which they were materially interested	In Compliance	Annual Report of the Board of Directors
9.16	- Reviewed the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to - make any of these declarations an explanation on why it is unable to do so; - Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; - Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	In Compliance	Annual Report of the Board of Directors

Corporate Governance Review

CULTURE AND CONDUCT

The Board is bound by the Code of Conduct and Ethics for Directors, and remains responsible for integrating a culture of fair, ethical conduct across the Group. The Board of Directors sets the tone for strong business ethics and the highest levels of integrity, embedding principles that cascade down from the top to reach every level of the organization. The Board leads by example, and therefore sets clear expectations with respect to the culture, values and behaviour of the Group's employees. All employees are required to follow the Group's Code of Conduct. The following ethic-specific topics are described under the Code of Conduct:

<table>
<tr><th>Non Discrimination and Equal opportunities</th><th>Anti-bribery and Corruption Policy</th><th>Grievance Handling Policy and Procedure</th><th>Prevention of Harassment and Bullying</th></tr>
<tr><td>BPPL places a significant importance on the need to provide equal opportunities to everyone since inception.</td><td>The policy articulates the framework in place to prevent bribery and corruption within the organization. The following aspects are covered therein.</td><td>Maintain an open-door policy where grievance is concerned, by making a general invitation to all employees, to walk in at any time and speak over the grievances with the person/persons concerned.</td><td>Workplace Anti-Harassment policy and Code of conduct reaffirmed a safe and healthy working environment for all employees.</td></tr>
<tr><td rowspan="4">It strives to be viewed as a workplace that is home to a diverse pool of people regardless of ethnicity, religion, gender, physical appearance, and cultural differences.</td><td>Company Personnel are prohibited from giving or offering bribes, kickbacks, or similar payment or consideration of any kind, whether at home or abroad, to/from any person or entity.</td><td rowspan="4">All appropriate procedures are in place to conduct independent investigations into incidents reported.</td><td>The Company believes that any form of sexual harassment can adversely impact both the individual and the organization and does not tolerate any form of harassment to its employees.</td></tr>
<tr><td>Compliance with this Policy and laws is a condition of continued employment or association with BPPL, and violations will not be tolerated – any alleged breach will be investigated and disciplinary action taken as appropriate.</td><td rowspan="3">Awareness of the Company Anti-Harassment and bullying Policy is created regularly through internal communication tools to all employees. The employees are able to report an incident confidentially to a committee member, and if warranted an investigation will be carried out on the matter.</td></tr>
<tr><td>The policy is applicable to all Directors, consultants and employees without exception.</td></tr>
<tr><td>The business partners and third parties who act on behalf of the Company are aware of the guidelines set out in the Company's Anti-Corruption Policy and are required to adhere to the same.</td></tr>
</table>

Statement by the Senior Independent Director

This Statement is presented in compliance with the requirements set out in Section 9.6.3(e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange ("CSE"), as a practice of good governance.

The requirement of appointing a Senior Independent Director to BPPL Holdings PLC ("the Company") during the year ended 31st March 2026, has arisen in terms of Section 9.6.3 of the Listing rules issued by the Colombo Stock Exchange, which requires a Senior Independent Director to be appointed in the event the Chairperson is an Executive Director.

Accordingly, the Board of Directors ("the Board") of the Company appointed Mr. U K D Dharmadasa (Independent, Non-Executive Director) as the Senior Independent Director of the Company on 1st July 2025 upon the resignation of Mr. Manjula De Silva who was the previous Senior Independent Director, who completed nine years on the Board of the Company as an Independent Non Executive Director. A brief profile of Mr. U K D Dharmadasa is given on page 18 of this Annual Report.

ROLE AND RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR

The purpose of appointing a Senior Independent Director is to provide a sounding board for the Chairperson and to act as an intermediary with independent views for other Directors as needed. A formal Terms of Reference (ToR) for the Senior Independent Director is in place.

In terms of the ToR, the Senior Independent Director shall:

- Act as the Chairman of the Board of Directors when matters concerning the Chairman are considered.
- Act as a conduit to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Ensure that the views of other Non-Executive Directors are given due consideration.
- Chair a Meeting of the Non-Executive Directors without the Chairperson present, at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
- Chair the meetings of the Independent Directors, without the presence of other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The Senior Independent Director shall provide feedback and recommendations from such Meetings to the Chairperson and the other Board members.
- Make himself available to attend meetings with major Shareholders, as and when required, to listen to their views to help develop a balanced understanding of the issues and concerns of major shareholders.
- Ensure the concerns of Directors are recorded in the Board Minutes, when Directors have concerns about matters of the Company, which cannot be unanimously resolved.

With respect to the above, a Meeting of the Non-Executive Directors without the Chairman and a Meeting of the Independent Directors without the presence of other Directors, were held on 16th March 2026, to discuss matters and concerns relating to the Entity and the operation of the Board. The outcome of these discussions and the concerns have been duly communicated to the Chairman and the Board of Directors.

U K D Dharmadasa
Senior Independent Director
31st August 2026

Report of the Audit Committee

PURPOSE OF THE COMMITTEE

The Board Audit Committee is delegated authority by the Board of BPPL Holdings PLC, to provide independent oversight over the Group's financial reporting and internal control framework, reviewing compliance with legal and regulatory requirements, overseeing risk management practices, and evaluating the adequacy of the external and internal audits with a view to safeguarding the interests of the shareholders and all other stakeholders

COMPOSITION OF THE COMMITTEE

The Audit Committee consists of three Non-Executive Directors, of whom two are Independent. Mr. U K D Dharmadasa functions as the Chairman of the Audit Committee, whilst Ms. N M Boralessa and Mr. R P Pathirana are the other members of the Committee. All members of the Audit Committee are Fellow members of the Chartered Institute of Management Accountants (CIMA). The Company Secretary functions as Secretary to the Audit Committee.

MEETINGS AND ATTENDANCE

The Committee met four times during the year ended 31st March 2026. The attendance of the members at these meetings is given in the table below.

Mr. U K D Dharmadasa (Appointed w.e.f. 01/07/2025)	3/3
Ms. N M Boralessa (Appointed w.e.f. 01/07/2025)	2/3
Mr. R P Pathirana	4/4

CEO, CFO, and Group Internal Auditor are permanent invitees to all Committee meetings. Representatives of the Group's External Auditors, Messrs. Ernst & Young also attend the Audit Committee meetings when required to do so.

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Following are the key responsibilities of the Audit Committee of BPPL Holdings PLC, arising from its charter, which provides the terms of reference:
    - Ensuring that an effective Financial Reporting & Assurance framework is in place
    - Overseeing the activities of the internal audit function, and providing direction as required
    - Ensuring an effective process exists for Risk Management
    - Reviewing the External Audit process and performance of external auditors
    - Ensuring that an effective compliance monitoring and reporting framework is in place

FINANCIAL REPORTING & ASSURANCE

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Divisions. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to its members.

INTERNAL AUDIT

The Committee monitors the effectiveness of the internal audit function and has empowered them to access information required to conduct their audits.

The objective of the Group Internal Audit (GIA) is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served, and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective action where necessary.

During the year 2025/26, audits were performed covering all 8-process areas of the group. The findings and contents of the GIA reports were discussed with the relevant management staff and subsequently these audit reports were circulated to the Audit Committee and to the senior management, providing an overview of the control environment, and where relevant enabling visibility of corrective and preventive measures to be taken.

RISK MANAGEMENT

The Committee obtained and reviewed the business risk management process and procedures adopted by the Group to manage and mitigate the effects of such risks and observed that a sound risk analysis had been conducted within the Group. The key risks that could impact operations have been identified and appropriate actions have been taken to mitigate their impact to the extent possible. Key risk profile, analyzed in terms of Impact vs Likelihood, is presented from pages 37 to 40 of the annual report.

Reviews of the risk management process, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions are recommended to the board.

EXTERNAL AUDIT

The Committee held meetings with the External Auditors to review the nature, approach, scope and fees of the audit prior to the commencement of the audit, and followed up on the observations noted by the External Auditors during and after the Audit of Group Companies. Remedial action was recommended wherever necessary. The Committee has reviewed and satisfied itself on the independence and objectivity of the External Auditors, Messrs. Ernst & Young.

The current auditors, Messrs. Ernst & Young, were initially appointed as the external auditors of the Company and continue to hold that position at present. A partner rotation of the auditors takes place at periodic intervals and the last rotation took place in the year 2019/20. The Committee has recommended to the Board that Messrs. Ernst & Young - Chartered Accountants be reappointed as the independent External Auditor for the financial year 2026/27 subject to the approval of the shareholders at the Annual General Meeting (AGM) and the required resolution be put to the shareholders at the AGM.

Compliance

The Committee obtained representations from Group Companies on the adequacy of provisions made for possible liabilities and reviewed reports tabled by Group Companies certifying compliance with relevant statutory requirements. It also obtains regular updates from the internal auditor and relevant Heads of Divisions regarding compliance matters.

CONCLUSION

The Audit Committee is of the view that the Group has an effective organizational structure and a process for the implementation of Group's accounting policies and operational controls, and that it provides a reasonable assurance that the affairs of the Group are managed in accordance with Group policies, and that Group assets are properly accounted for and are safeguarded. The Committee is also of the view that the Company and its subsidiaries are able to continue to operate as a going concern.

U K D Dharmadasa
Chairman
Audit Committee
31st August 2026

Report of the Remuneration Committee

For the financial year ended 31st March 2026, the Remuneration Committee, appointed by and responsible to the Board of Directors, comprised the following members.

Name of the Director	Role	Independent	Non-Executive
Mr. M Adamaly	Chairman	√	√
Ms. N M Boralessa	Member	√	√
Mr. R P Pathirana	Member		√

MEETING ATTENDANCE

The Committee met two times during the financial year, and attendance was as follows:

Mr. M Adamaly	2/2
Ms. N M Boralessa	2/2
Mr. R P Pathirana	2/2

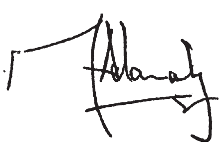
ROLE AND REMUNERATION THE COMMITTEE

The Committee is responsible for reviewing and recommending to the Board the Company's remuneration policy for executive staff. Details of the aggregate remuneration paid to Directors during the financial year ended 31st March 2026 are disclosed in Note 20 of the financial statements.

REMUNERATION POLICY

In an increasingly competitive market environment, attracting and retaining high-caliber executives remains a key challenge for the Company. The Committee considered market benchmarks, competitive positioning, and the Company's performance evaluation framework in formulating its recommendations on the overall remuneration policy.

The annual performance appraisal process and bonus calculations were carried out in accordance with proposals approved by the Committee, based on its discussions with the Management.



M Adamaly
Chairman
Remuneration Committee
31st August 2026

Report of the Related Party Transactions Review Committee

BPPL Holdings PLC has complied with the relevant regulations by forming the Related Party Transactions Review Committee to ensure that the interests of all shareholders are taken into account when engaging in transactions with related parties.

The Related Party Transactions Review committee consists of three Non-Executive Directors, of whom two are Independent. The Committee is chaired by Mr. U K D Dharmadasa whilst Ms. N M Boralessa and Mr. R P Pathirana are the other members of the Committee. The Company Secretary functions as Secretary to the Committee.

The Committee held four meetings during the year under review. The attendance of the Directors at Related Party Transactions Review Committee meetings for the financial year ended 31st March 2026 is given below.

Mr. U K D Dharmadasa (Appointed w.e.f. 01/07/2025)	3/3
Ms. N M Boralessa (Appointed w.e.f. 01/07/2025)	2/3
Mr. R P Pathirana	3/4

THE POLICIES AND PROCEDURES

The group has in place a Related Party Transaction Policy whereby the categories of persons who are considered as "related parties" have been identified. Accordingly, all Executive Directors and Non-Executive Directors have been identified as the Key Management Personnel of the Company. In accordance with the Related Party Transaction Policy, self-declarations are obtained annually from each Key Management Person of the Company for the purpose of identifying parties related to them.

As per the existing practice, a detailed report on the related party transactions is submitted to the Related Party Transactions Review Committee periodically and such transactions are also disclosed to the shareholders through the Company's financial statements. The Related Party Transactions Review Committee reinforces its functions by revisiting the Terms of Reference of the Committee and the Related Party Transactions Policy periodically and re-aligning the internal procedures and policies with the requirements thereof.

The Company's ERP system provides complete, timely, adequate and relevant information to the Board and senior management and thereby to the Related Party Transactions Review Committee.

The Related Party Transactions Review Committee reviews the related party transactions, and their compliances and communicates the same to the Board on a quarterly basis.

Non-recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

Recurrent Related Party Transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

The recurrent related party transactions entered by the Company during the financial year ended 31st March 2026 are given in note 29.2 of the financial statements.

U K D Dharmadasa
Chairman
Related Party Transactions Review Committee
31st August 2026

Report of the Nominations and Governance Committee

The Nominations and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company.

The Nominations and Governance Committee consists of three Non-Executive Directors out of whom two are Independent Non-Executive Directors namely Ms. N M Boralessa, Mr. M Adamaly and one Non-Executive Director namely Mr. Ranil Pathirana. .

The Committee is chaired by Ms. N M Boralessa. The Company Secretary functions as Secretary to the Committee. The committee held one meeting during the year under review. The attendance of the Directors at Nominations and Governance Committee meetings for the financial year ended 31st March 2026 is given below.

Ms. N M Boralessa	1/1
Mr. M Adamaly	1/1
Mr. R P Pathirana	1/1

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee encompasses the following:

- Nominations process, overlooking the appointment of executive and non-executive directors.
- Providing oversight over the processes for functioning of the Board and overall corporate governance framework of the Company.

NOMINATION RELATED RESPONSIBILITIES:

- Evaluate the appointment of Directors to the Board of Directors and Board Committees of the company
- Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.
- Consider and recommend the re-appointment/re-election of current Directors and assist the Board as required to identify individuals who are qualified to become Board members (including in respect of executive Directors), having regard to: the skills, experience, expertise and personal qualities that will best complement Board effectiveness,
- Ensure that an effective induction process is in place and regularly review its effectiveness, and ensure that appropriate professional development opportunities are provided on an on-going basis for Directors.

GOVERNANCE RELATED RESPONSIBILITIES:

- Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director Competencies.
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Periodically review and update the corporate Governance Policies / Framework of the company in line with the listing rules of Exchange, regulatory and legal developments relating to same, as a best practice, and recommend any amendments for Board consideration.
- Receive reports from the Management on compliance with the corporate governance framework of the company including the company's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

IMPLEMENTATION OF POLICIES

During the year under review, the Committee recommended nine new policies for approval of the Board, to be implemented in terms of the recent amendments to the Listing Rules of the Colombo Stock Exchange. The Committee ensured that the Policies were uploaded on the Company website on 01st October 2024.

BOARD AND BOARD COMMITTEE EVALUATIONS

The Board of Directors performs an annual self-evaluation of its own performance and effectiveness. The Committee reviewed the results of the Board Evaluation of the Company and discussed the governing structure of the Company.

The Committee carried out a self-evaluation of the performance and effectiveness of the Committee at year-end and was satisfied that it had carried out its responsibilities in an effective manner for the year 2025/26.

GOVERNANCE PRACTICES AND COMPLIANCE WITH LISTING RULES

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules are given in the Corporate Governance section of the Annual Report.

NBoralessa

Ms. N M Boralessa
Chairperson
Nominations and Governance Committee
31st August 2026

Risk Management

The risk management system of BPPL Holdings PLC, is structured to identify and control the risks specific to the industry in which it operates as well as general risks applicable to all entities. Therefore, appropriate systems, policies and procedures are in place in all areas of management and they are periodically reviewed to ensure adequacy and adherence. In the current business environment, change has become the norm rather than the exception. By managing threats to the business, in a changing environment effectively, particularly the major threats that may affect our business plans and strategic objectives, we are able to protect or enhance our key assets appropriately.

THE MAIN THREATS TO THE BUSINESS ARE IDENTIFIED.
Thereafter, each threat is assessed for potential impact and likelihood of occurring to quantify the associated risk. A risk Heat Map is then used to plot the risk associated with each threat. The horizontal axis shows the likelihood of a given threat occurring, that is, the likelihood that the threat will materialise and become an issue. The vertical axis shows the potential impact that the threat will have on the objective or goal not being achieved should it materialise. The associated risks are then quantified and the colour coded according to the level of risk

<table>
<tr><th>Risk Category</th><th>Risk Element</th><th>BPPL's Mitigating Measures</th></tr>
<tr><td rowspan="4">Risk on Financial Capital</td><td>1. GLOBAL INTEREST RATE RISK
Arising due to sensitivity to interest rate changes<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Almost certain</td></tr></table></td><td>Effective management of working capital
Maintain a proper mix of fixed and floating rates
Continuous discussions with banks to resolve issues
Operating within a certain Debt-to-Equity Ratio</td></tr>
<tr><td>2. GLOBAL ECONOMIC RISK
Risks associated with operating in the current socioeconomic environment<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Almost certain</td></tr></table></td><td>Diversify markets we serve to reduce concentration risk
Diversify product offering</td></tr>
<tr><td>3. FOREIGN CURRENCY RISK
Arises from exposure to foreign currency positions<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Likely</td></tr></table></td><td>Maintain foreign currency denominated assets to hedge against liabilities
Increase export earnings and price the products in hard currencies
Close monitoring of project timelines
Continuous dialogue with banks</td></tr>
<tr><td>4. REGULATORY/COMPLIANCE RISK
Risk of generating negative goodwill, penalties or other action due to non-compliance. Risk of failure to meet regulatory requirements<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Close monitoring of regulatory requirements
Strong Internal Audit teams to ensure compliance
Regular third party audits</td></tr>
</table>

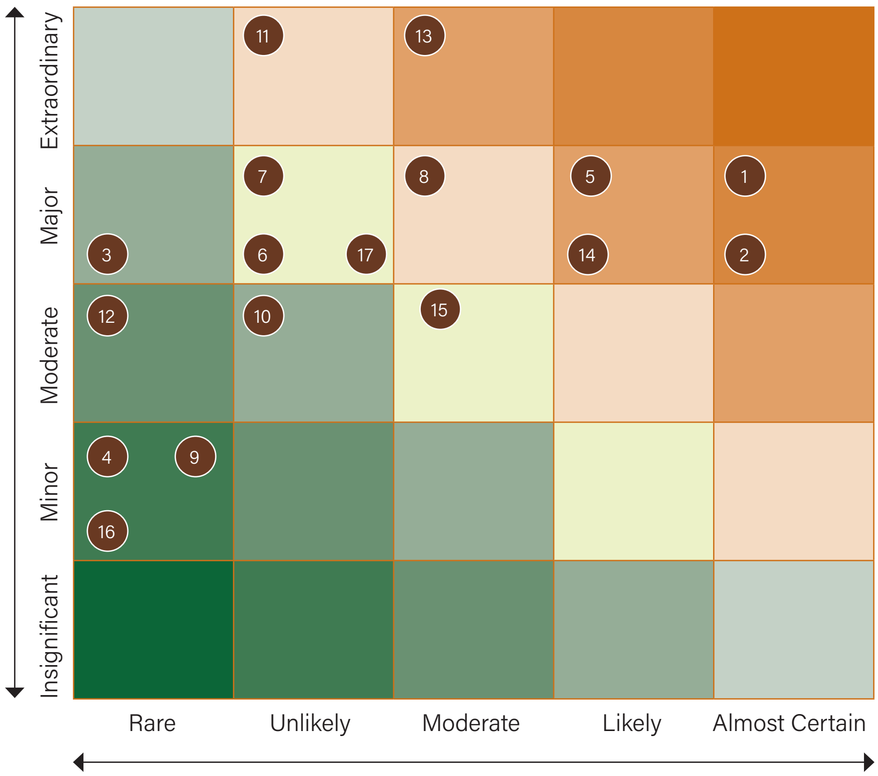
Risk Management

<table>
<tr><th>Risk Category</th><th>Risk Element</th><th>BPPL's Mitigating Measures</th></tr>
<tr><td rowspan="3">Risk on Financial Capital</td><td>5. FRAUD RISK
Risk of fraud resulting in losses<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Maintaining CT PAT compliance
Periodic inventory counts</td></tr>
<tr><td>6. LIQUIDITY RISK
Availability of funds—the Group has to be liquid and solvent to carry out its operations smoothly<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Effective treasury function to forecast fund requirements and availability
Maintain adequate working capital line
Arrange sufficient financial facilities and leverage to build organizational resilience while continuously reviewing the business model</td></tr>
<tr><td>7. RISK OF BAD DEBTS
Occurs due to settlement default by credit customers<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Minor</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Implementation of Group credit policy and strengthening relationships with creditworthy customers.
Periodic review of receivables, legal and other proactive recovery actions</td></tr>
<tr><td rowspan="2">Risk on Human Capital</td><td>8. LABOUR SHORTAGES
Reduction in skilled and un-skilled labour<table><tr><th>Assessment</th><th></th></tr><tr><td>Impact</td><td>Major</td></tr><tr><td>Likelihood</td><td>Moderate</td></tr></table></td><td>Maintaining competitive remuneration packages
Managing carrer development
A safe and peaceful work environment
Continuous training to upskill employees on new technologies, tools and good practices</td></tr>
<tr><td>9. INDUSTRIAL HEALTH AND SAFETY
Could lead to workplace accidents, penalties, negative image and hiring difficulties for future requirements<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Minor</td></tr><tr><td>Likelihood</td><td>Rare</td></tr></table></td><td>Complying with international health & safety standards
Focused training on health and safety to all employees
Insurance coverage to mitigate risks</td></tr>
<tr><td>Risk on Intellectual Capital</td><td>10. CONFIDENTIALITY OF INFORMATION
Loss of confidential data through security breaches<table><tr><th colspan="2">Assessment</th></tr><tr><td>Impact</td><td>Moderate</td></tr><tr><td>Likelihood</td><td>Unlikely</td></tr></table></td><td>Extensive controls and reviews to maintain security of IT infrastructure and data
Regular back up of data and off-site storage of data backup systems
Safeguard critical IT and operational assets through strict IT protocols, firewalls and business continuity plans</td></tr>
</table>

Risk Category	Risk Element	BPPL's Mitigating Measures
Risk on Social & Relationship Capital	**11. BUSINESS INTERRUPTION RISK** Risk of having interruptions to continuous operations **Assessment** Impact: Extraordinary Likelihood: Unlikely	• Regular fire drills, training and simulation of disaster situations to ensure uninterupted operations • Business continuity planning including implementaion of disaster recovery facilities to ensure smooth operations
	12. AVAILABILITY OF RAW MATERIALS Risk of non-availability of the local and imported raw materials **Assessment** Impact: Extraordinary Likelihood: Moderate	• Maintain adequate stock levels • Develop multiple supplier channels
	13. POLITICAL INSTABILITY Unstable political environment.Risk of not being able to carry out production due to geo-political instability **Assessment** Impact: Major Likelihood: Likely	• Stay up-to-date with policy changes • Strengthen relationships with customers inorder to provide reassurance during periods of instability
	14. SINGLE CUSTOMER / SUPPLIER Risk of having a few major customers and/or suppliers **Assessment** Impact: Moderate Likelihood: Moderate	• Diversify and increase the customer base geographically and within geographies • Widen product range inorder to widen customer base • Maintain multiple supply channels
	15. REPUTATION RISK Risk of generating negative perception due to operational issues **Assessment** Impact: Moderate Likelihood: Rare	• Close relationships to Global brands and working together with the industry association to reassure customers • Managing and improving the Group's reputation through effective public relation programmes
Risk on Natural & Environmental Capital	**16. ENVIRONMENTAL DISTRUPTION DUE TO UNAUTHORISED WASTE DISCHARGE** Risks associated with environmental emissions and related issues **Assessment** Impact: Major Likelihood: Unlikely	• Continuous monitoring of environmental performance and related parameters • Strict environmental compliance followups • Use approved chemicals with allowed dose, have proper disposal and recycling systems in the water treatment process
	17. USE OF HAZARDOUS CHEMICALS Risk of using hazardous chemicals for the production can cause health and safety issues **Assessment** Impact: Minor Likelihood: Rare	• Ensure compliance with international environmental standards • Maintain adequate water and effluent treatment plants • Regular compliance audits through internal and external auditors

Risk Management

RISK HEAT MAP



Impact	Likelihood	Scaling
Insignificant	Rare	
Minor	Unlikely	
Moderate	Moderate	
Major	Likely	
Extraordinary	Almost Certain	

Human Capital Development

BPPL Holdings PLC recognises that the capability, commitment and wellbeing of its people are fundamental to sustaining operational excellence and supporting the Group's long-term growth. During 2025/26, the Group continued to strengthen its human capital framework with emphasis on workforce stability, capability development, employee engagement, occupational health and safety, leadership development and inclusive employment practices.

The workforce remained broadly stable during the year, reflecting the Group's steady operational requirements and continued focus on retaining the skills and experience required across its manufacturing operations. Approximately 99% of employees were within the permanent cadre, supporting workforce continuity and long-term capability retention. The employee base comprised approximately 76% worker-grade employees, 10% supervisory employees and 14% executives and management personnel.

1. WORKFORCE COMPOSITION AND TRENDS

Staff grade	2023/24	2024/25	2025/26
Senior Management	9	9	9
Executives	117	117	122
Staff	101	96	93
Factory floor employees (skilled, unskilled and helpers)	751	708	664
Management Trainees	0	0	0
Total	**978**	**930**	**888**

2. RECRUITMENT AND TALENT ACQUISITION

Staff grade	2023/24	2024/25	2025/26
Senior Management	0	1	0
Executives	16	22	13
Staff	23	16	19
Factory floor employees (skilled, unskilled and helpers)	182	118	131
Total	221	157	163

BUILDING AND RETAINING A CAPABLE WORKFORCE

The Group adopts a proactive approach to workforce planning, aligning people requirements with operational priorities, technological developments and evolving business needs. Recruitment is undertaken through a combination of targeted recruitment campaigns, regional outreach, job fairs and digital platforms, allowing BPPL to access a broad pool of potential employees and respond to vacancies across different occupational categories.

A key workforce challenge during the year continued to be the migration of skilled employees, particularly within mechanical and technical disciplines, in search of overseas employment opportunities. In response, the Group continued to focus on employee development, workplace engagement, career progression and internal talent development as important components of its retention strategy.

STRENGTHENING EMPLOYEE CAPABILITY

Continuous learning remained integral to the Group's human capital strategy. Training needs are identified through performance evaluations, skill assessments and requirements communicated by Heads of Departments and employees. The HR function maintains skill matrices and conducts biannual assessments to evaluate employee competencies against defined requirements, with identified gaps addressed through structured training and on-the-job development.

During the year, employees participated in training covering areas such as hazard identification and accident prevention, 5S implementation, quality management, chemical handling, occupational health and safety, Lockout/Tagout procedures, supervisory management, teamwork and communication, professional writing and digital marketing. On-the-job training also remained an important mechanism for strengthening the technical capabilities of machine operators and operational employees.

DEVELOPING FUTURE LEADERS

BPPL also continued to strengthen its leadership and succession planning framework. During the year, the Group initiated implementation of the 9-Box Talent Matrix to assess employee performance and potential, identify critical skills and establish a more structured succession pipeline. The process is intended to support the identification of high-potential employees and guide future development interventions for individuals identified for greater responsibilities.

Human Capital Development

4. LEARNING AND DEVELOPMENT

Metric	2023/24	2024/25	2025/26
No of employees subjected to training (Total participations)	1,900	1,950	1,925
Number of training programs	120	122	120
Training hours per employee	3.15	3.15	3.15

Several employees were promoted internally during the year, reflecting the Group's commitment to recognising talent and providing opportunities for career progression. Going forward, BPPL intends to strengthen leadership capability through structured development programmes, continuous learning and greater exposure to managerial responsibilities, with emphasis on decision-making, strategic thinking, communication, adaptability and people management.

EMPLOYEE ENGAGEMENT AND WELLBEING

The Group continued to foster an inclusive and supportive workplace through regular employee engagement, recognition and welfare initiatives. Major activities included employee gatherings, annual sports events, Sinhala and Tamil New Year celebrations and employee trips, supplemented by smaller engagement initiatives conducted throughout the year. Performance assessments are undertaken twice annually against established targets, with performance outcomes linked to the annual bonus scheme.

Open communication is supported through an Employee Committee representing different departments and employee categories, while a structured Grievance Handling Committee provides employees with a formal mechanism to raise concerns and recommendations. These platforms strengthen employee participation and provide management with opportunities to respond to workplace issues in a timely and transparent manner.

Employee wellbeing continued to receive attention through health awareness initiatives, medical camps and access to workplace healthcare. Fully equipped medical centres are maintained across locations with qualified full-time nurses, while medical practitioners visit the plants regularly, enabling employees to access primary medical consultations and prescribed medication without leaving the workplace.

PROMOTING A SAFE AND INCLUSIVE WORKPLACE

Occupational health and safety remains integral to the Group's people management approach. Safety practices are supported by systems aligned with ISO 45001:2018, together with regular health screening, workplace environmental monitoring, PPE requirements, machine safeguards, 5S audits, emergency drills and near-miss reporting.

5. WORKPLACE HEALTH AND SAFETY COMPLIANCE

Applicable Regulation	Status of Compliance
Shop and Office Employees Act of 1954	Fully complied
Factories Ordinance of 1942	Fully complied
Employees Provident Fund Act of 1958 (and subsequent amendments)	Fully complied
Overtime and holiday payments	Fully complied

BPPL also continues to promote fairness, equal opportunity and inclusion across its workforce. Recruitment, performance evaluation, promotion and development processes are guided by merit-based principles, while employees are provided with channels to raise concerns relating to discrimination, harassment or unfair treatment. The Group continues to reinforce awareness of workplace inclusion and respect through employee communication, induction and development initiatives.

LOOKING AHEAD

Going forward, BPPL will continue to strengthen its human capital framework by developing a future-ready workforce capable of supporting innovation, operational excellence and sustainable growth. Priorities include strengthening technical and leadership capabilities, advancing succession planning, enhancing employee engagement, supporting workforce retention and reinforcing a safe, inclusive and high-performance workplace culture.

Through continued investment in its people, BPPL seeks to build organisational capability while creating an environment in which employees are equipped, engaged and empowered to contribute meaningfully to the Group's long-term objectives.

EMPLOYEE ENGAGEMENT AND WELFARE EVENTS

1. Employees' Annual Event

The Employees' Annual Event was held at Saffron Beach Hotel, Wadduwa, bringing together approximately 600 employees from Beira Brush and Eco Spindles. Participants represented all levels of the organisation, including executives, staff and workers.

The event provided employees from the different operating locations and functions with an opportunity to interact in an informal environment outside their usual workplace setting. Such gatherings play an important role in strengthening relationships across teams, encouraging greater interaction between different employee categories and reinforcing a sense of belonging to the wider organisation.

By creating an opportunity for employees to come together collectively, the event also served to recognise their contribution to the Companies' progress during the year. The programme formed part of the broader employee engagement agenda of Beira Brush and Eco Spindles, which seeks to maintain a motivated, connected and inclusive workforce.

2. Poson Poya Bana and Dansala

In recognition of the religious and cultural significance of Poson Poya, Beira Brush organised a Bana programme and Dansala at the Beira Brush factory premises in Ingiriya. Approximately 500 executives, staff members and workers participated in the one-day programme.

The initiative provided employees with an opportunity to observe an important religious occasion together while promoting values associated with compassion, generosity and community spirit. Conducting the programme within the factory premises enabled employees across different occupational categories to participate and strengthened the sense of togetherness within the workplace.

The Dansala further reflected the spirit of giving traditionally associated with Poson, while the overall programme demonstrated the Company's efforts to respect and support cultural and religious observances that are meaningful to its workforce.

3. Children's Day Programme

As part of its efforts to engage with employees beyond the workplace, a special Children's Day programme was organised at the Beira Brush factory premises in Ingiriya for the children of employees of Beira Brush and Eco Spindles.

Approximately 60 children participated in the one-day programme. The event provided an opportunity for the Companies to recognise the importance of employees' families and strengthen engagement with the wider employee community.

By including employees' children within its social engagement activities, Beira Brush and Eco Spindles sought to reinforce a family-oriented organisational culture. Initiatives of this nature contribute towards employee well-being by demonstrating that the organisation recognises the importance of employees' responsibilities and relationships beyond their professional roles.

Human Capital Development

4. English Language Development Programme
Recognising the importance of communication skills in supporting both personal and professional development, Beira Brush and Eco Spindles conducted a six-month English language course for approximately 50 executives and staff members.

The programme was conducted at the Beira Brush factory premises in Ingiriya and included participants from Beira Brush and Eco Spindles.

The extended duration of the programme enabled participants to develop their English language capabilities through structured learning over a sustained period. Strengthening English proficiency can support employees in areas such as workplace communication, correspondence, interaction with colleagues and stakeholders, and broader professional development.

The initiative reflects the Companies' continued emphasis on employee capability building and the creation of opportunities that enable employees to strengthen skills relevant to their current responsibilities as well as their longer-term career development.

5. Employees' Cricket Match
A one-day Employees' Cricket Match was organised at the Gamini Central playground, with approximately 250 workers from Beira Brush and Eco Spindles participating.

The sporting event provided employees with an opportunity to engage with colleagues in a recreational environment and promoted teamwork, camaraderie and healthy interaction outside day-to-day operational activities.

Sporting initiatives are an important component of employee engagement, particularly as they provide employees from different areas of the business with opportunities to interact and build relationships in a less formal setting. The cricket match also encouraged active participation and contributed towards maintaining a positive workplace culture by balancing operational responsibilities with opportunities for recreation and social interaction.

6. Sisu Diri Thilina Programme
The Sisu Diri Thilina programme was conducted at the Beira Brush factory premises in Ingiriya as part of the Companies' efforts to support employees and their families. Approximately 450 employees, comprising executives, staff and workers from Beira Brush and Eco Spindles, were covered through the initiative.

Under the programme, 450 stationery packs together with gift vouchers were distributed to employees at their respective workplaces. The initiative was intended to provide practical assistance to employee families in meeting education-related requirements.

Supporting employees with educational necessities for their children represents an important aspect of employee welfare, particularly in helping families manage recurring schooling-related expenses. Through the Sisu Diri Thilina programme, the Companies sought to extend the impact of their employee welfare activities beyond the workplace and contribute towards the educational well-being of employees' children.

The initiative further demonstrated the Companies' commitment to maintaining meaningful engagement with their workforce by providing support that responds to practical family needs.

7. Supervisory Development Programme

A Supervisory Development Programme was conducted at the Beira Brush factory premises in Ingiriya for approximately 50 executives and staff members from Beira Brush and Eco Spindles.

The one-day programme formed part of the Companies' ongoing focus on strengthening leadership and supervisory capabilities within the workforce.

Supervisors play an important role in translating organisational objectives into day-to-day operational performance while managing teams, coordinating activities and maintaining effective communication between employees and management. Accordingly, programmes focused on supervisory development help strengthen the competencies required to manage people and workplace responsibilities more effectively.

The initiative complemented the Companies' broader employee development efforts and reflected the importance placed on building internal capabilities and strengthening the effectiveness of employees responsible for supervisory and team leadership functions.

8. Year-End Party

The annual Year-End Party was held at, Gonapola, with the participation of approximately 150 executives and staff members from Beira Brush and Eco Spindles.

The event provided employees with an opportunity to come together at the conclusion of the year and engage with colleagues outside their regular working environment. It also created a platform to recognise the collective contribution of employees and reinforce the relationships developed across the organisation throughout the year.

The Year-End Party formed part of the Companies' wider employee engagement programme, providing an opportunity for relaxation, interaction and fellowship while strengthening organisational cohesion. By recognising the value of social engagement alongside professional development and employee welfare, Beira Brush and Eco Spindles continued to promote a workplace culture centred on inclusion, appreciation and employee connectedness.

Strengthening Our Employee Community

Collectively, these initiatives demonstrate the emphasis placed by Beira Brush and Eco Spindles on creating a supportive and engaging working environment. During FY2025/26, the Companies' employee-focused programmes addressed several dimensions of well-being, encompassing professional development, educational support, employee recognition, family engagement, cultural participation and recreation.

Through sustained investment in these areas, Beira Brush and Eco Spindles seek to strengthen relationships with employees, enhance workplace engagement and create an environment in which employees and their families feel recognised and supported.

Employee Wellbeing and Engagement

WORKFORCE PROFILE

BPPL's workforce remained broadly stable during 2025/26, reflecting the Group's steady operational requirements and the absence of significant organisational restructuring or large-scale operational expansion during the year. The workforce continued to be maintained at a level appropriate to the Group's existing manufacturing and operational requirements, supporting business continuity and retention of core capabilities.

Approximately 99% of employees were within the permanent cadre, providing a strong foundation for organisational continuity and long-term capability development. In terms of workforce composition, approximately 76% of employees were at worker grade, 10% at supervisory level and 14% within executive and management categories.

Workforce planning is undertaken with consideration for projected business requirements, technological developments and changing operational needs. The Group seeks to identify potential skills and capability gaps in advance and responds through recruitment, retention and employee development initiatives.

Recruitment during the year was primarily directed towards filling vacancies arising through normal employee turnover, as there were no significant changes to cadre requirements. BPPL continued to utilise a combination of targeted recruitment campaigns, regional poster campaigns, job fairs and digital recruitment channels to access candidates across a broad talent pool.

A key challenge observed during the year was the migration of skilled employees, particularly within mechanical and technical disciplines, for overseas employment opportunities. While this contributed to employee turnover, the Group continued to maintain the staffing levels required to support its operations.

BPPL will continue to strengthen workforce planning and talent development initiatives to ensure that the skills, competencies and leadership capabilities required for future business needs are available across the organisation.

EMPLOYEE ENGAGEMENT INITIATIVES

BPPL recognises that sustained employee engagement contributes directly to productivity, collaboration, retention and organisational resilience. Accordingly, the Group continued to provide employees with opportunities to participate in workplace activities designed to strengthen team cohesion, employee morale and organisational belonging.

Approximately three to four major employee engagement initiatives are generally organised each year, complemented by smaller activities involving different employee groups throughout the year. These initiatives include employee trips, social gatherings, year-end celebrations, Sinhala and Tamil New Year celebrations and annual sports meets.

Employee gatherings and the annual sports meet were among the most prominent engagement activities during 2025/26. These events provided opportunities for employees across different functions and levels of the organisation to interact outside their immediate operational environments, supporting stronger internal relationships and teamwork.

The Group also maintains a structured performance evaluation framework, under which employee performance is reviewed twice annually against predetermined objectives. Performance assessment outcomes are linked to the annual bonus scheme, reinforcing a performance-oriented culture and providing a mechanism to recognise employee contribution.

Open communication is supported through an Employee Committee comprising representatives from different departments and employee categories. The Committee provides employees with a formal platform to discuss concerns, share ideas and make suggestions to management. Regular interaction between management and employee representatives encourages greater participation and contributes to continuous workplace improvement.

A separate Grievance Handling Committee provides employees with a structured mechanism through which workplace-related concerns can be raised and addressed. Feedback received through this process is reviewed by management, with appropriate corrective action or responses provided within agreed timelines.

In the coming year, BPPL intends to continue investing in engagement programmes that strengthen employee involvement, teamwork and workplace satisfaction while ensuring that these initiatives remain aligned with the Group's broader organisational objectives.

HEALTH, SAFETY AND WELLBEING

Occupational health, safety and employee wellbeing remain fundamental priorities across BPPL's manufacturing operations. Given the nature of industrial brush manufacturing, plastic recycling, fibre processing and related production activities, the Group maintains structured health and safety controls aimed at preventing workplace incidents and protecting employee wellbeing.

BPPL's occupational health and safety approach is supported by systems aligned with ISO 45001:2018, together with established risk identification, prevention, monitoring and corrective action mechanisms. Employees are required to follow prescribed personal protective equipment requirements, while workplace conditions including dust, noise and ventilation are periodically monitored to identify potential occupational health risks.

During the year, a number of measures continued to strengthen workplace safety. These included:

- 5S audits conducted approximately once every two weeks across departments;
- colour-coded demarcation of pedestrian walkways, machinery zones and forklift operating areas;
- enhanced dust extraction systems within wood processing areas;
- training on near-miss identification reporting;
- fire and emergency response drills; and
- chemical spill response and first-aid preparedness.

The Group promotes a proactive approach to safety through hazard identification and near-miss reporting rather than relying solely on responses following incidents. Employees are encouraged to report potential hazards without fear of punitive action, enabling management to review risks and introduce preventive measures before they result in workplace injuries.

Health and safety performance is monitored through management safety audits, regular review of the Hazard Identification and Risk Assessment registry, 5S monitoring and corrective action arising from internal, third-party and customer audits. Social and ethical compliance reviews also evaluate working conditions against applicable standards and customer requirements.

Employee wellbeing extends beyond occupational safety. BPPL maintains medical centres across its locations staffed by qualified full-time nurses, while doctors visit plants periodically, allowing employees to obtain primary medical consultation and prescribed medication without leaving the workplace. Health awareness programmes and medical camps are also conducted to support employees' physical and mental wellbeing.

The Group will continue to strengthen preventive safety practices, employee awareness, workplace monitoring and wellbeing initiatives as part of its broader commitment to providing a safe and supportive working environment.

Learning and Development

TRAINING AND CAPABILITY BUILDING

BPPL adopts a continuous learning approach to employee capability development, recognising that technical competence, adaptability and professional development are fundamental to operational excellence and sustainable growth.

Training requirements are identified through employee performance evaluations, skill assessments and recommendations from Heads of Departments and employees. The HR Department maintains skill matrices across employee categories and conducts biannual skill assessments to evaluate individual capability against established requirements. Identified gaps are subsequently addressed through structured training and on-the-job development programmes.

Training conducted during 2025/26 covered a broad range of technical, operational and professional areas, including:

- hazard identification and accident prevention;
- awareness of labour laws;
- 5S implementation;
- quality management;
- chemical handling;
- English language and professional writing;
- digital marketing;
- teamwork, team building and effective communication;
- Lockout/Tagout training for engineering employees;
- supervisory management skills;
- occupational health and safety management; and
- structured on-the-job training.

On-the-job training remained particularly important for machine operators and operational employees, enabling technical competencies to be strengthened within the actual manufacturing environment.

The effectiveness of training is evaluated through post-training assessments that consider the employee's ability to apply newly acquired knowledge and skills in day-to-day responsibilities. This enables the Group to identify further development needs and continuously improve its learning interventions.

Going forward, BPPL intends to expand personal development programmes for staff and above while continuing to strengthen technical, managerial and professional capabilities across the workforce.

LEADERSHIP DEVELOPMENT

Developing capable future leaders is central to BPPL's long-term organisational resilience. The Group seeks to build leadership capability internally by identifying employees with the potential to assume greater responsibility and providing opportunities for continued development and career progression.

During 2025/26, BPPL commenced implementation of the 9-Box Talent Matrix, which provides a structured mechanism for evaluating employees according to performance and potential. This process will support identification of high-potential employees, critical skills and future leadership requirements.

Leadership development is supported through continuous learning, on-the-job exposure and opportunities to assume broader responsibilities. Development priorities include strengthening decision-making, strategic thinking, communication, people management, accountability, adaptability, innovation and business acumen.

Several employees were promoted to positions carrying greater responsibility during the year, demonstrating the Group's commitment to recognising internal talent and providing opportunities for career advancement.

As the 9-Box Talent Matrix progresses, structured development plans are expected to be introduced for employees identified as having future leadership potential. This will enable BPPL to establish a more deliberate leadership pipeline capable of supporting operational continuity and future growth.

SUCCESSION PLANNING

Succession planning forms an increasingly important component of BPPL's long-term human capital strategy. The Group's objective is to ensure that employees with the capabilities and potential required for critical operational and leadership positions are identified and developed in advance of future requirements.

Implementation of the 9-Box Talent Matrix represents an important step towards formalising this process. The framework is being used to evaluate employee performance and potential, identify critical skills and support the development of succession plans for key positions.

The Group also supports succession through internal career progression. Several internal promotions occurred during the year, contributing to the development of employees capable of assuming greater responsibility while retaining organisational knowledge and experience.

Following completion of talent assessments, BPPL intends to introduce more structured development interventions for identified high-potential employees. These initiatives are expected to include targeted training, career development opportunities and exposure to responsibilities that build readiness for future roles.

By strengthening succession planning, the Group seeks to reduce dependency on individual positions, maintain leadership continuity and build a sustainable pipeline of talent capable of supporting future organisational requirements.

REIMAGINING WHAT SUSTAINS US

By preventing plastics from entering ecosystems, instead giving them renewed purpose, we contribute to protecting soil quality and supporting environments where growth can continue to flourish.

Diversity, Equity and Inclusion

WORKFORCE DIVERSITY
BPPL is committed to fostering a workforce in which employees from different backgrounds are provided with opportunities to participate, develop and contribute to organisational performance.

The Group recognises that diversity of experience, perspective and capability can enhance problem solving, collaboration and decision-making. Accordingly, recruitment and employee development practices are intended to provide fair opportunities across the organisation.

During the year, BPPL continued to support workforce diversity through inclusive recruitment practices, equitable access to development opportunities and workplace practices based on respect and fairness.

Going forward, the Group intends to strengthen inclusive recruitment, widen access to development opportunities and continue fostering a workplace culture that values diverse perspectives and experiences.

EQUAL OPPORTUNITY AND FAIR EMPLOYMENT
BPPL seeks to maintain fair, transparent and merit-based employment practices across recruitment, performance management, promotion and career development.

Employment decisions are based on employee capability, performance, experience and potential, with equal access to training, career development and progression opportunities. The Group's HR policies and employment processes are intended to prevent discrimination, harassment and unfair treatment while promoting dignity and respect across the workplace.

Employees are able to raise concerns through established grievance and reporting mechanisms. Matters raised are treated through formal processes designed to ensure fairness, confidentiality and appropriate management attention.

Management oversight of employment practices, recruitment and employee development provides an additional mechanism to reinforce consistency and transparency.

BPPL will continue to strengthen fair employment practices and transparency in people management while ensuring employees are provided with opportunities to develop in accordance with their performance and potential.

INCLUSIVE WORKPLACE PRACTICES
Creating a respectful and supportive workplace is fundamental to BPPL's approach to employee engagement and wellbeing. The Group seeks to foster an environment in which employees feel valued, are encouraged to contribute ideas and are able to participate meaningfully in organisational activities.

Open communication, employee engagement and teamwork are encouraged across functions, while managers are expected to demonstrate behaviour consistent with the Group's principles of fairness and respect.

Employees are introduced to relevant workplace policies as part of the induction process, while awareness sessions reinforce expectations relating to inclusion, diversity and respectful workplace conduct.

Employees can raise concerns or suggestions through formal employee committees and grievance channels, providing mechanisms for issues to be addressed constructively and confidentially.

Going forward, BPPL intends to continue strengthening employee development, inclusive workplace practices and equal opportunity, supporting a workforce that is increasingly engaged, capable and empowered.

REIMAGINING COASTLINES

By transforming plastic waste into new possibilities, we help preserve the natural beauty and ecological richness of coastal landscapes while creating value through circular action.

Product Quality & International Standards

INTERNATIONAL CERTIFICATIONS

BPPL continues to maintain internationally recognized certifications, including ISO 9001, ISO 14001, and ISO 45001, ensuring adherence to global quality, environmental, and occupational health standards. The Group has also applied for GRS certification, with the first audit successfully completed.

Eco Spindles successfully obtained additional certifications last year:

- BIS (Bureau of Indian Standards): Confirming compliance with Indian regulatory and product quality standards.
- RCS (Recycled Claim Standard): Reinforcing traceability and responsible sourcing of recycled materials across the supply chain.

Compliance with Global Product & Sustainability Standards

BPPL and its manufacturing plants continue to integrate global quality and sustainability standards into core operations. Key practices include:

- Embedding ISO 9001 and ISO 14001 management systems into manufacturing processes.
- Conducting regular internal and external audits, with all non-conformities addressed through documented corrective actions.
- Ensuring emissions remain within legal limits and implementing waste reuse practices, such as reprocessing plastic waste into production cycles.
- Providing employees with ongoing training on sustainability practices and compliance requirements.

Through these initiatives, BPPL maintains its commitment to delivering high-quality products while adhering to evolving international standards and sustainable manufacturing practices.

QUALITY, COMPLIANCE, AND GLOBAL STANDARDS

Excellence in product quality is a cornerstone of our operating model. We maintain rigorous quality control processes aligned with international standards and hold globally recognised accreditations. These practices ensure that our eco-friendly products meet the demanding specifications of global customers, while our governance framework safeguards against non-compliance and operational risks.

QUALITY CONTROL ENHANCEMENTS

At the Mawgama Plant, BPPL's quality control systems remained robust, with no major updates required during the year. Meanwhile, at Eco Spindles (Pvt) Ltd – Yarn Plant, the Built-In Quality (BIQ) initiative further strengthened process standardization. Comprehensive material and information flow charts, combined with a Quality Support Matrix and targeted problem-solving training, enhanced product quality, operational efficiency, and data transparency. Continuous improvements in problem-solving mechanisms and the development of interactive data visualization dashboards have further enabled data-driven decision-making and ongoing operational excellence.

ENVIRONMENTAL ACCOUNTABILITY

Environmental Management

Environmental responsibility remains an integral part of BPPL Holdings PLC's approach to sustainable manufacturing and long-term value creation. Given the resource-intensive nature of the Group's operations, particular emphasis is placed on managing waste, water and energy responsibly, improving material utilisation and progressively reducing the environmental impacts associated with manufacturing and related activities.

BPPL's environmental management approach is underpinned by the principles of responsible production, resource conservation, pollution prevention and continuous improvement. Environmental considerations are integrated into operational processes through monitoring, employee awareness, responsible waste handling and initiatives aimed at improving the efficiency with which raw materials and natural resources are utilised.

The Group's established environmental management framework also promotes the application of circular economy principles wherever practicable. This includes reducing waste at source, improving segregation and recovery, extending the useful life of materials and identifying opportunities to return suitable residual materials to productive use. In previous years, BPPL has also strengthened resource efficiency through improvements to manufacturing processes, material recovery and water reuse.

During FY2025/26, environmental performance reflected progress across several areas. Reductions were recorded in polythene, carton, wood mix plastic dust and sawdust waste, while electronic waste also declined. Water consumption at the Ingiriya Brush Plant continued its downward trajectory. Conversely, increases in rejected wooden blocks, food waste and paper waste highlight areas requiring continued management attention.

These performance trends reinforce the importance of facility-level monitoring and targeted intervention. Going forward, BPPL will continue to strengthen environmental performance measurement, improve resource efficiency and use operational data to identify areas where environmental impacts can be further reduced.

STRENGTHENING ENVIRONMENTAL RESPONSIBILITY

During FY2025/26, BPPL continued to strengthen its commitment to environmental stewardship by integrating sustainability considerations across its operations, manufacturing processes and resource management practices. Environmental responsibility remains embedded within the Group's broader business strategy, supporting operational efficiency while contributing towards the conservation of natural resources and the transition to a more circular economy.

Guided by its environmental policy, BPPL continues to promote responsible production, resource efficiency, recycling and pollution prevention across its business activities. This approach enables environmental considerations to be incorporated into operational decision-making while encouraging accountability and continuous improvement throughout the organisation.

GOVERNANCE AND ENVIRONMENTAL POLICY ALIGNMENT

BPPL's environmental management approach is supported by a governance framework that promotes accountability, regulatory compliance and responsible operational practices. The Group's environmental policy provides the foundation for integrating environmental considerations across its business units and encourages employees and other stakeholders to contribute towards improved environmental performance.

Environmental responsibility is embedded across operational processes through a combination of policy implementation, employee awareness, resource conservation, waste management and performance monitoring.

Environmental Management

Key Initiatives and Practices

- Policy Communication – Maintaining awareness of the Group's environmental policies and responsibilities among employees and relevant stakeholders.
- Capacity Building – Strengthening environmental awareness through training and engagement programmes.
- Operational Efficiency – Improving production processes, material utilisation and energy and water efficiency while integrating appropriate technological solutions.
- Regulatory Compliance – Maintaining compliance with applicable environmental legislation, standards and regulatory requirements.
- Performance Management – Monitoring environmental performance and promoting continuous improvement in waste reduction, resource efficiency and pollution prevention.
- Resource Conservation – Encouraging the efficient utilisation of raw materials, water and energy while supporting recycling and circular resource flows.
- Incident Management – Maintaining appropriate mechanisms for identifying, reporting and responding to environmental incidents.
- Stakeholder Engagement – Collaborating with suppliers, collectors, communities and other stakeholders to encourage responsible environmental practices.

Through these measures, BPPL continues to strengthen a culture of environmental responsibility while embedding sustainability considerations into its products, processes and day-to-day operations.

RESPONSIBLE PRODUCTION AND CONSUMPTION

Responsible production and consumption remain central to BPPL's environmental strategy. The Group's recycling operations support the recovery of post-consumer plastic waste, particularly PET bottles, which are converted into recycled raw materials for the manufacture of polyester yarn and synthetic monofilaments.

By retaining valuable materials within the productive economy for longer and reducing dependence on virgin resources, BPPL's business model supports the principles of circularity while creating economic value from materials that could otherwise enter landfills or the natural environment. This approach also contributes towards reducing waste, improving resource productivity and strengthening responsible consumption and production practices.

CIRCULAR ECONOMY & RESOURCE EFFICIENCY

BPPL continues to strengthen circular economy principles throughout its collection, recycling and manufacturing processes. Operational improvements across material recovery, sorting, washing and production are directed towards improving material yields, reducing waste and enhancing the quality of recycled outputs.

At recycling facilities, processes such as material segregation, label removal and quality assessment support improved recovery rates and help maintain the quality of incoming PET material. Supplier engagement and waste segregation awareness also contribute towards reducing contamination and improving recycling efficiency.

Process optimisation within washing and flake production continues to support more efficient utilisation of water and energy. Recovery and reuse of materials generated during production further contribute towards reducing waste and extending material lifecycles.

Within Eco Spindles, continued attention to production quality, process control and manufacturing efficiency supported improved output during FY2025/26. Yarn (DTY) production increased to 650,377 kg, compared with 635,814 kg in the previous year, while filament production increased to 2,062,493 kg from 2,024,243 kg.

Outputs from PET Flakes

Type of Waste	2024/25	2025/26
Yarn (DTY) Production	635,814	650,377
Filament Production	2,024,243	2,062,493

This represented year-on-year growth of approximately 2.3% in yarn production and 1.9% in filament production, reflecting continued improvements in manufacturing productivity and the utilisation of recycled PET-based inputs.

BPPL's broader collection infrastructure also plays an important role in sustaining the circular economy model by connecting households, collectors, businesses and communities with formal recycling channels. Through its network of Material Recovery Facilities, bale sites and registered collectors, the Group facilitates the recovery, aggregation and transportation of recyclable plastics from across Sri Lanka.

URBAN SUSTAINABILITY INITIATIVES

BPPL continues to promote more sustainable approaches to plastic collection and material recovery, particularly in urban and densely populated areas where conventional collection methods can be less efficient.

The Group's collection model incorporates decentralised Material Recovery Facilities, bale sites and community-based collectors, enabling recyclable materials to be aggregated closer to their source. Initiatives such as the use of smaller and more efficient collection vehicles and e-bikes at selected locations have supported more flexible collection within urban areas while helping to reduce transportation requirements and associated fuel consumption.

These initiatives also create opportunities for informal-sector collectors and small-scale entrepreneurs to participate more effectively in the recycling value chain. By combining environmental objectives with community participation and livelihood creation, BPPL continues to pursue an integrated approach to urban sustainability.

MATERIAL RECOVERY FACILITIES (MRFS)

Material Recovery Facilities remain an important component of BPPL's island-wide recycling infrastructure, enabling plastics collected from communities and businesses to be sorted, consolidated and transferred efficiently for recycling.

During FY2025/26, annual collections through the MRF network increased to 2,145,040 kg, compared with 2,023,615 kg in FY2024/25. This represents an increase of approximately 6.0%, demonstrating the continued contribution of the MRF network towards expanding formal plastic recovery.

MRF Collection Performance

Indicator	2024/25	2025/26
Annual MRF Collection (kg)	2,023,615	2,145,040

The improved collection volume reflects BPPL's continued focus on strengthening collection efficiency, improving access to recycling channels and supporting greater recovery of recyclable materials.

PLASTIC COLLECTION AND SUSTAINABLE RESOURCE MANAGEMENT

BPPL's island-wide plastic collection and recycling network remains a key pillar of its environmental strategy. Through partnerships with collectors, communities, businesses and other stakeholders, the Group continues to recover significant volumes of post-consumer plastic and channel these materials into productive recycling processes. The previous report similarly positioned the collection network as a central element of BPPL's circular-economy approach.

During FY2025/26, BPPL collected 121,560,740 bottles, compared with 106,377,487 bottles in FY2024/25, representing an increase of approximately 14.3%. Since the commencement of the collection programme in 2011, cumulative bottle collections have reached 869,580,740 bottles.

Bottle Collection

Indicator	Number of Bottles
Total bottles collected during FY2025/26	121,560,740
Total bottles collected since 2011	869,580,740

PET continued to represent the largest component of the Group's plastic collection during the year, with 3,523,802 kg collected in FY2025/26. HDPE collections amounted to 50,638 kg, while LDPE collections amounted to 1,180 kg.

Types of Plastics Collected

Type of Plastic	2024/25 (kg)	2025/26 (kg)
PET	3,545,916	3,523,802
HDPE	53,279	50,638
LDPE	17,926	1,180

While the composition of collected plastics varied during the year, PET remained the dominant material stream within BPPL's recycling ecosystem, supporting the production of recycled polyester-based products.

The Group's island-wide collection infrastructure continues to provide the scale required to support these recycling activities. As at FY2025/26, BPPL's collection network comprised 9 Material Recovery Facilities, 14 active bale sites and more than 600 registered collectors, maintaining a broad platform for the collection, aggregation and recovery of recyclable plastics across Sri Lanka.

Our Island-Wide Collection Network

Collection Network	No.
Material Recovery Facilities	9
Active Bale Sites	14
Registered Collectors	600+

Through its integrated collection, recycling and manufacturing model, BPPL continues to demonstrate how circular economy principles can be translated into practical environmental outcomes. By strengthening material recovery, improving production efficiency and maintaining an extensive collection network, the Group continues to reduce plastic leakage into the environment while generating value from recovered materials and supporting livelihoods across its recycling ecosystem

Responsible waste management is a key component of BPPL's environmental management framework. The Group generates several waste streams through its manufacturing activities, including wood-based residual materials, polythene, cartons and mixed wood and plastic dust. Monitoring these materials enables BPPL to identify significant waste streams, assess year-on-year performance and focus improvement efforts on areas with the greatest potential environmental and operational impact.

During FY2025/26, total waste across the five principal categories monitored amounted to 1,376,168 kg, compared with 1,309,398 kg in FY2024/25, representing an increase of approximately 5.1%.

WASTE EMISSION ANALYSIS

Type of Waste	FY2022/23 (kg)	FY2023/24 (kg)	FY2024/25 (kg)	FY2025/26 (kg)	YoY Movement
Polythene	75,105	10,008	19,130	17,157	↓ 10.3%
Cartons	38,864	32,120	60,158	28,957	↓ 51.9%
Rejected Wooden Blocks	756,820	696,070	556,810	710,198	↑ 27.5%
Wood Mix Plastic Dust	47,270	59,540	63,639	45,950	↓ 27.8%
Sawdust	633,700	639,270	609,661	573,906	↓ 5.9%
Total	**1,551,759**		**1,309,398**	**1,376,168**	**↑ 5.1%**

Performance across individual waste streams was encouraging in several areas. Polythene waste declined by approximately 10%, while carton waste decreased substantially by approximately 52%. Wood mix plastic dust fell by approximately 28%, and sawdust decreased by approximately 6%.

These improvements were offset by rejected wooden blocks, which increased from 556,810 kg to 710,198 kg. As rejected wooden blocks represent one of the Group's largest individual waste streams, this increase was the principal driver of the overall rise in waste during the year.

Wood-based residual materials continued to dominate BPPL's waste profile. Accordingly, improving timber utilisation, reducing production losses and identifying further opportunities for recovery, reuse or productive utilisation of wood-based waste remain important priorities.

ALIGNMENT WITH ESG AND GOVERNANCE

Waste management directly supports BPPL's environmental objective of improving resource efficiency and reducing the volume of materials requiring disposal. Greater segregation, recovery and reuse also support the Group's wider transition towards circular production practices.

From a social perspective, responsible waste handling contributes towards cleaner and safer working environments while strengthening employee awareness of responsible environmental practices.

Governance plays an equally important role through the systematic measurement, classification and monitoring of waste streams. Maintaining reliable waste data enables management to identify adverse trends, establish areas for corrective action and improve accountability for environmental performance. BPPL's established approach to waste management includes segregation, monitoring and measures aimed at improving recycling and responsible disposal.

Going forward, greater emphasis will be placed on understanding and addressing the increase in rejected wooden blocks while sustaining the improvements recorded across other major waste streams.

FOOD WASTE

Food waste management forms part of BPPL's broader commitment to responsible resource consumption and environmental awareness across the workplace. While food waste is not directly associated with the manufacturing process, reducing unnecessary food disposal helps minimise the environmental footprint associated with employee dining and supports a more responsible consumption culture.

During FY2025/26, total food waste across the three operating locations increased moderately to 9,164 kg, compared with 8,823 kg in FY2024/25, representing an increase of approximately 3.9%.

Location	FY2024/25 (kg)	FY2025/26 (kg)
Ingiriya	3,323	3,238
BOI	1,850	2,726
Maugama	3,650	3,200
Total Food Waste	**8,823**	**9,164**

Performance varied across the Group's locations. Food waste at Ingiriya declined to 3,238 kg from 3,323 kg, while Maugama recorded a reduction from 3,650 kg to 3,200 kg. These improvements were offset by an increase at the BOI facility, where food waste rose from 1,850 kg to 2,726 kg.

The facility-level variations demonstrate the importance of monitoring consumption patterns individually and directing awareness and corrective initiatives towards locations where increases are observed.

BPPL has previously promoted employee awareness and mindful consumption as part of its food waste management approach, supported by monitoring mechanisms intended to improve transparency and accountability.

ALIGNMENT WITH ESG AND GOVERNANCE

From an environmental perspective, reducing food waste helps minimise unnecessary resource consumption and the environmental burden associated with disposal. Preventing avoidable waste is therefore preferable to managing waste after it has been generated.

The social dimension is particularly important in food waste management. Employee awareness and behavioural change can contribute significantly towards responsible consumption, creating a workplace culture in which individuals recognise their role in reducing avoidable waste.

From a governance perspective, measuring food waste at individual facilities allows management to identify unusual movements and determine where further intervention may be required. Consistent data collection and reporting also improve accountability and provide an objective basis against which future improvement can be assessed.

Going forward, BPPL will continue to promote responsible consumption and strengthen facility-level monitoring, with particular attention to understanding the increase recorded at the BOI facility during the year.

PAPER WASTE

BPPL continues to recognise responsible paper consumption as part of its wider resource-efficiency agenda. Paper is used in documentation, administration, packaging and related activities, making efficient consumption, appropriate segregation and recycling important components of everyday environmental management.

During FY2025/26, total paper waste increased to 430 kg, compared with 254 kg in FY2024/25, representing an increase of approximately 69.3%.

PAPER WASTE TRENDS

Location	FY2024/25 (kg)	FY2025/26 (kg)
Ingiriya	134	127
BOI	75	268
Maugama	45	35
Total Paper Waste	**254**	**430**

The increase was primarily attributable to the BOI facility, where paper waste rose from 75 kg to 268 kg. In contrast, improvements were recorded at both other locations. Ingiriya reduced paper waste from 134 kg to 127 kg, while Maugama recorded a reduction from 45 kg to 35 kg.

These divergent trends demonstrate the value of facility-level measurement in identifying areas where paper consumption requires closer attention.

BPPL's established approach to managing paper waste includes encouraging recycling, raising employee awareness and progressively reducing dependence on physical documentation through more efficient and digitalised workflows where practicable.

ALIGNMENT WITH ESG AND GOVERNANCE

Reducing paper consumption supports the environmental pillar of BPPL's ESG framework by promoting more efficient use of natural resources while reducing the volume of material entering the waste stream.

The social dimension is supported through employee awareness and responsible workplace behaviour. Encouraging employees to minimise unnecessary printing, reuse materials where appropriate and segregate waste correctly helps embed sustainability into everyday activities rather than treating it solely as an operational responsibility.

From a governance perspective, monitoring paper waste by location improves transparency and enables management to identify material changes in consumption patterns. The significant increase recorded at BOI during FY2025/26 provides a clear example of how performance data can direct management attention towards areas requiring investigation and corrective action.

Going forward, BPPL will continue promoting responsible paper consumption while strengthening digital processes, recycling practices and performance monitoring.

ELECTRONIC WASTE

Responsible electronic waste management is an important environmental consideration given the specialised materials and components contained in electrical and electronic equipment. Inappropriate disposal can result in environmental contamination and health and safety risks, making proper segregation, storage and disposal particularly important.

During FY2025/26, BPPL recorded a significant reduction in electronic waste, with total e-waste declining from 282 kg in FY2024/25 to 179 kg, representing a reduction of approximately 36.5%.

ELECTRONIC WASTE TRENDS

Location / Indicator	FY2024/25 (kg)	FY2025/26 (kg)
Ingiriya	270	67
BOI	12	86
Maugama	0	26
Total Electronic Waste	**282**	**179**

The overall reduction was primarily driven by the Ingiriya facility, where electronic waste declined significantly from 270 kg to 67 kg. BOI recorded an increase from 12 kg to 86 kg, while Maugama generated 26 kg compared with no recorded e-waste in the previous year.

Unlike many other waste streams, electronic waste volumes can fluctuate materially depending on equipment replacement cycles, technology upgrades and the retirement of obsolete assets. Consequently, responsible handling and disposal remain important irrespective of year-on-year changes in the absolute quantity generated.

BPPL's established e-waste management practices include segregation of electronic waste, the return of certain consumables such as toner cartridges to suppliers and the use of specialised e-waste management channels for responsible processing.

ALIGNMENT WITH ESG AND GOVERNANCE

Within the environmental dimension of ESG, responsible e-waste management helps prevent hazardous or non-biodegradable components from being disposed of through inappropriate waste streams while supporting the recovery of materials wherever feasible.

The social dimension relates particularly to employee and community health and safety. Correct segregation, storage and handling reduce the potential exposure of employees and waste handlers to substances that may present environmental or occupational risks.

Strong governance and oversight are essential because e-waste requires more controlled handling than general waste. Appropriate disposal channels, supplier take-back arrangements and proper records provide greater traceability over how obsolete electronic equipment is managed and help demonstrate compliance with responsible environmental practices.

BPPL will continue to monitor electronic waste closely while seeking opportunities to extend equipment life, maximise responsible recovery and ensure that obsolete equipment is disposed of through appropriate channels.

WATER MANAGEMENT

Water is an important natural resource supporting BPPL's manufacturing operations as well as employee drinking, sanitation and welfare requirements. The Group therefore seeks to use water efficiently, monitor consumption and identify opportunities to reduce unnecessary demand.

At the Brush Plant in Ingiriya, water consumption decreased from 7,103 m^3 in FY2024/25 to 6,738 m^3 in FY2025/26, representing a further reduction of approximately 5.1%. This follows the 19% reduction achieved in the previous reporting year, when usage decreased from 8,779 m^3 to 7,103 m^3.

WATER USAGE ANALYSIS

Location	FY2024/25 (m3)	FY2025/26 (m3)
Brush Plant – Ingiriya	7,103	6,738
Eco Spindles Yarn & Recycling Plant – BOI Zone, Horana	17,327	15,358
Eco Spindles Monofilaments Plant – Maugama	7,486	5,770

BPPL's established water-management approach includes consumption monitoring, process optimisation, employee awareness and the reuse and recycling of water where operationally appropriate. The Group has previously introduced initiatives such as wastewater recycling and rainwater harvesting, helping reduce dependence on freshwater and minimise effluent generation.

ALIGNMENT WITH ESG AND GOVERNANCE

Responsible water use directly supports the Group's environmental commitment to natural-resource conservation. Reducing unnecessary abstraction and improving reuse can also strengthen operational resilience as water availability becomes an increasingly significant environmental consideration.

The social implications of responsible water management extend beyond BPPL's operations, as water resources are shared with surrounding communities and ecosystems. Efficient consumption therefore contributes towards protecting a resource that has broader social and environmental value.

From a governance perspective, consistent measurement of water consumption is necessary to set meaningful targets, identify changes in usage and strengthen environmental accountability. BPPL will therefore continue improving the completeness and consistency of water data across its operating locations.

Environmental Management

CLIMATE ACTION AND EMISSION MANAGEMENT

BPPL recognises climate change as an increasingly important environmental and business consideration. Managing greenhouse gas emissions, improving energy efficiency and progressively transitioning towards lower-carbon operating practices are therefore important components of the Group's environmental agenda.

The Group's climate-management approach recognises that emissions performance is closely connected to several aspects of operational efficiency, including electricity and fuel consumption, manufacturing productivity, transportation, water consumption and waste generation. Measures that reduce material losses and improve resource efficiency can therefore contribute indirectly as well as directly towards reducing the Group's carbon footprint.

BPPL has previously strengthened its climate framework through emissions monitoring and the establishment of Science Based Targets initiative (SBTi) goals for Scope 1 and Scope 2 emissions at the Eco Spindles Yarn Plant. Renewable energy has also contributed to the Group's transition towards lower-carbon manufacturing, including the utilisation of solar energy within its operations.

The Group's wider operational initiatives also support climate objectives. Improvements in waste management, reductions in water consumption and greater resource efficiency contribute towards reducing the overall environmental intensity of operations. BPPL has also previously incorporated lower-emission logistics solutions and route optimisation into its recycling and collection operations.

ALIGNMENT WITH ESG AND GOVERNANCE

Climate action is intrinsically linked to BPPL's broader environmental strategy, encompassing energy efficiency, renewable energy, resource conservation and emissions reduction.

From a social perspective, addressing climate-related impacts supports the resilience of communities, employees and supply chains that may increasingly be exposed to environmental and climate-related disruption.

Strong governance will be essential as BPPL advances its climate-management framework. Reliable emissions measurement, clear organisational boundaries, consistent methodologies and performance monitoring will enable management and the Board to assess progress objectively and strengthen the credibility of future climate-related disclosures.

Going forward, strengthening current-year Scope 1, Scope 2 and relevant Scope 3 emissions data will be important to provide a complete view of BPPL's carbon footprint and enable meaningful year-on-year comparison against its established climate objectives.

SOCIAL RESPONSIBILITY

Our Approach to Social Responsibility

BPPL Holdings PLC considers social responsibility an integral component of responsible and sustainable value creation. The Group's approach extends beyond conventional corporate philanthropy, focusing instead on initiatives that create enduring environmental and social value through stakeholder collaboration, responsible manufacturing, resource recovery, employee development and community engagement.

This approach is intrinsically linked to BPPL's circular economy business model. Through Beira Brush and Eco Spindles, the Group connects manufacturing with the recovery and productive reuse of post-consumer materials, creating value from resources that may otherwise be discarded. This integrated model supports environmental conservation while strengthening collection networks, creating economic opportunities and promoting greater awareness of responsible waste management.

During 2025/26, BPPL continued to broaden its engagement with communities, government institutions, private-sector organisations, waste collectors, recyclers and other stakeholders. Particular emphasis was placed on improving plastic recovery, expanding access to collection infrastructure, promoting environmental awareness and strengthening collaboration across Sri Lanka's recycling value chain.

The Group's social responsibility agenda is also closely connected with the wellbeing and development of its employees. BPPL continues to promote a safe, inclusive and supportive workplace while investing in employee capability, engagement and career development. In parallel, its community-facing initiatives seek to address wider environmental and socio-economic challenges through partnerships capable of delivering longer-term impact.

Going forward, BPPL intends to continue strengthening the alignment between its social responsibility initiatives and broader ESG priorities, with particular focus on expanding circular economy participation, supporting responsible resource management and creating sustainable value for employees, communities and other stakeholders.

During FY2025/26, Beira Brush and Eco Spindles conducted a series of employee-focused social, cultural, educational and recreational initiatives aimed at strengthening employee engagement, supporting professional development, recognising employees and their families, and fostering a stronger sense of community across the organisation. The programmes reached employees across different levels of the workforce and also extended support to employees' children and families.

Supporting Marine Conservation through the MEPA Plastic Collection Project

As part of its commitment to environmental stewardship and responsible waste management, Eco Spindles continued to strengthen its contribution towards reducing plastic pollution through its involvement in the Marine Environment Protection Authority (MEPA) Plastic Collection Project. The initiative supports broader national efforts to protect Sri Lanka's coastal and marine ecosystems while encouraging the responsible recovery and management of plastic waste.

The project originated from a coastal clean-up programme initiated by MEPA in response to plastic pollution, including plastic nurdles that had washed ashore in connection with the MSC Elsa 3 vessel. Building on this effort, the collection programme has been extended across 25 locations from Jaffna to Galle, enabling plastic waste to be systematically recovered from coastal areas that are particularly vulnerable to marine pollution.

Alongside the recovery of nurdles, the initiative also facilitates the collection of PET bottles, thereby broadening its impact beyond the immediate clean-up requirement. PET bottles collected through the programme are consolidated and transported to the MEPA warehouse in Puttalam for appropriate handling. Through this process, Eco Spindles is contributing to the diversion of plastic waste from the natural environment while supporting more responsible material recovery practices.

A key milestone during the year was the official handing-over ceremony held on 22 July, marking further progress in the collaboration. The formal agreement process is currently being progressed to provide a stronger framework for the continuation of the initiative. The project is expected to facilitate the collection of approximately 8 tonnes of plastic waste, representing a tangible contribution towards mitigating coastal pollution.

Beyond the immediate environmental benefits, the MEPA Plastic Collection Project reflects Eco Spindles' wider approach to embedding sustainability within its operations and external partnerships. By supporting structured plastic collection, responsible waste handling and marine conservation, the Company is helping to advance the principles of the circular economy, resource efficiency and pollution prevention. The initiative also demonstrates the value of collaboration between the private sector and public institutions in addressing environmental challenges that require coordinated and sustained action.

Through initiatives such as this, Eco Spindles aims to extend its environmental responsibility beyond its own operational boundaries and contribute towards the protection of Sri Lanka's natural ecosystems for future generations.

Community Investment

COMMUNITY DEVELOPMENT INITIATIVES

BPPL's approach to community investment reflects its broader commitment to generating positive social and environmental outcomes through its business activities and stakeholder partnerships.

Given the Group's role within Sri Lanka's recycling ecosystem, many of its community initiatives focus on improving plastic recovery, strengthening waste collection networks, creating economic opportunities and encouraging responsible waste management.

One of the most significant initiatives undertaken during the year was the Green Wheels Plastic Collection Project, launched by Eco Spindles in collaboration with Green Earth Group NV in November 2025. The project is described as Sri Lanka's first plastic credit programme aligned with Verra's Plastic Standard. Through the initiative, 50 locally fabricated electric bikes were deployed to recover post-consumer PET plastic from communities and natural environments, with all 50 bikes deployed by April 2026.

Beyond increasing plastic recovery, the project creates livelihood opportunities for local waste collectors while strengthening the link between community-level collection and formal recycling infrastructure.

The Green Wheels Plastic Collection Project further extends this environmental stewardship agenda by removing post-consumer PET from communities, waterways, beaches and other environments while directing recovered plastic back into productive manufacturing processes.

Collectively, these programmes demonstrate BPPL's approach to environmental stewardship as a collaborative undertaking requiring participation across communities, institutions, collectors and industry.

Eco Spindles also entered into an agreement with Global Communities Sri Lanka in March 2026 to purchase PET recovered through a newly established collection centre in the Matara region, further supporting decentralised collection and market access for recyclable material.

In partnership with Noyon Lanka, used IBC tanks were repurposed as plastic drop-off bins and positioned in Attanagalla, Kottawa, Ragama, Moratuwa and Horana. This initiative simultaneously extended the useful life of existing material and expanded community access to plastic collection infrastructure.

These initiatives demonstrate BPPL's emphasis on community investment models that connect environmental outcomes with economic participation and long-term resource recovery.

Community Investment

EDUCATION AND AWARENESS PROGRAMMES

Environmental education and awareness play an important role in improving Sri Lanka's waste management practices and encouraging greater participation in recycling.

During the year, Eco Spindles partnered with local authorities to conduct a waste management awareness programme for officers in the North Central Province. Approximately 300 officers representing 28 local authorities participated in the programme, which focused on waste segregation, collection of recyclable material, value addition and opportunities for local authorities to generate revenue through improved material recovery.

The Group also contributed to the Advantis ESG Insights Webinar Series in October 2025 through a session titled Beyond the Bin: Shaping a Waste-Smart Advantis. The session explored Sri Lanka's waste management challenges, effective recycling practices and emerging trends within the recycling sector.

Eco Spindles also participated in the National Buyer Seller Forum 2025, using the platform to raise awareness of how PET waste can be transformed into products such as recycled yarn and plastic flakes. The event brought together recyclers, collectors, buyers, innovators, policymakers and service providers, creating greater understanding of opportunities within the circular plastics economy.

Through these initiatives, BPPL seeks to build greater awareness of the economic as well as environmental value of recyclable materials and encourage stronger participation throughout the recycling value chain.

ENVIRONMENTAL STEWARDSHIP PROJECTS

Environmental stewardship continued to be a key focus of BPPL's broader community and sustainability activities during 2025/26.

The Group participated in International Coastal Cleanup Day 2025, held at Panadura Beach Park. BPPL established an awareness stall at the event and supported the collection of PET bottles, which were subsequently transported to the Eco Spindles recycling facility using an electric three-wheeler.

Eco Spindles also supported the annual Sri Pada cleanup programme organised by Bodyline (Private) Limited in December 2025. Approximately 300–500 participants joined the cleanup along the Hatton trail, with Eco Spindles providing collection bags for the initiative.

Another important initiative was participation in Sri Lanka's National Waste Audit Programme in March 2026. The programme supported efforts to establish Material Recovery Facilities across the country by improving understanding of waste composition, recyclable material volumes, value addition and appropriate facility design. Training workshops were delivered across three provinces to more than 100 local council officers responsible for the first 20 proposed Material Recovery Facilities.

EMPLOYEE VOLUNTEERISM

BPPL recognises the value of employee participation in activities that strengthen community engagement and environmental awareness.

During the year, Group personnel supported and participated in selected sustainability and environmental initiatives undertaken through BPPL and Eco Spindles, including awareness and environmental engagement activities.

However, the information available for 2025/26 does not provide a quantified total of employee volunteers or a separately reported formal employee volunteer programme. Accordingly, BPPL's employee volunteerism disclosure for the year is best presented in the context of employee participation in wider corporate sustainability and community initiatives rather than as a standalone quantified programme.

Going forward, there is an opportunity to further formalise employee volunteerism by establishing structured programmes, recording employee participation and volunteer hours, and measuring the social or environmental outcomes generated through such initiatives.

SOCIAL IMPACT HIGHLIGHTS

BPPL's social and environmental initiatives during 2025/26 demonstrate an increasingly collaborative approach to creating positive impact across the recycling ecosystem.

Key social impact outcomes during the year included:

- deployment of 50 electric bikes under the Green Wheels Plastic Collection Project to strengthen community-level PET recovery and support local collector livelihoods;
- installation of recycled IBC-based plastic collection bins across five locations;
- establishment of a partnership to source PET from a new collection centre in Matara;
- engagement with approximately 300 local authority officers from 28 local authorities to strengthen recycling awareness and waste management practices;
- participation in national forums bringing together informal waste collectors, recyclers, businesses and policymakers;
- collection and recycling of 681 kg of PET bottles through the HDFC Bank Bin Collection Programme;
- contribution to cleanup programmes targeting coastal and environmentally sensitive areas; and
- participation in initiatives supporting the development of Sri Lanka's Material Recovery Facility network.

The Group's contribution to environmental sustainability and circular economy development was recognised with a Bronze Award in the Waste Processing & Recycling category at the Presidential Environmental Awards 2025.

These achievements demonstrate how BPPL's circular economy capabilities are increasingly being extended beyond its manufacturing facilities to contribute to broader environmental, community and economic outcomes.

LOOKING AHEAD

BPPL will continue to strengthen its social responsibility and community investment agenda by building partnerships capable of delivering lasting environmental and social value.

Future priorities will include strengthening community-level collection networks, expanding stakeholder participation in recycling, supporting greater awareness of waste segregation and resource recovery, and developing partnerships that strengthen the formal integration of collectors and recyclable materials into the circular economy.

Within the organisation, BPPL will continue to invest in employee engagement, workplace wellbeing, technical capability, leadership development and succession planning. The Group also intends to strengthen inclusive employment practices and provide employees with further opportunities for professional and personal development.

As its sustainability journey progresses, BPPL will seek to further connect commercial success with responsible resource use, environmental protection and social progress. Through collaboration with employees, communities, government institutions, customers, suppliers and other partners, the Group aims to deepen its contribution to a more inclusive and circular economy while continuing to create sustainable long-term value.

REIMAGINING CLEANER HORIZONS

Through responsible recycling and circular thinking, discarded materials are transformed into valuable resources, helping preserve cleaner, healthier, and more beautiful environments for generations to come.

Annual Report of the Board of Directors

The Board of Directors have pleasure in presenting the Tenth Annual Report of the Company for the year ended 31st March 2026, after listing in the Colombo Stock Exchange.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are detailed in Note 1.2 of the financial statements.

FINANCIAL STATEMENTS

The financial statements of the Group and Company for the year ended 31st March 2026 which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) with the inclusion of signatures of the Chairman/MD, Executive Director/CFO and DGM-Finance are set out on pages 77 to 125 which form a part of the Annual Report.

AUDITOR'S REPORT

The Auditor's Report is set out on pages 73 to 76 of the Annual Report.

FINANCIAL RESULTS AND APPROPRIATIONS

Revenue

Revenue generated by the Company amounted to Rs. Nil (2025 – Rs. Nil) whilst Group revenue amounted to Rs. 5,637 Mn (2025 – Rs. 5,538 Mn).

PROFIT AND APPROPRIATIONS

The profit after tax of the Company was Rs. 88 Mn (2025 – Rs. 35 Mn) whilst the Group profit/(loss) attributable to the equity holders of the Company was Rs. 263 Mn (2025 – Rs. -55 Mn).

The Company's total comprehensive income net of tax was Rs. 263 Mn (2025 – Rs. 35 Mn) and total comprehensive income attributable to the Group was a gain of Rs. 447 Mn (2025 – Rs. 326 Mn).

ACCOUNTING POLICIES

All the significant accounting policies adopted by the Company and the Group are mentioned in Note 2 to the financial statements.

DONATIONS

Total donations made by the Company and the Group during the year amounted to Rs. Nil (2025 – Rs. 24,000) and Rs. 3,878,731 (2025 – Rs. 3,516,899) respectively.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties given in Note 29 to the financial statements, have complied with Colombo Stock Exchange Listing Rule 9.14 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

CAPITAL EXPENDITURE

The Company's and Group's capital expenditure on property, plant and equipment amounted to Rs. 5 Mn (2025 – Rs. 18 Mn) and Rs. 162 Mn (2025 – Rs. 151 Mn) respectively and all other information and movements have been disclosed in Note 3 to the financial statements.

The Company did not acquire any intangible assets during the financial year and previous financial year. The Group's additions to intangible assets amounted to Rs. 4 Mn (2025 – Rs. 4 Mn) and all other information and movements have been disclosed in Note 5 to the financial statements.

VALUATION OF PROPERTY, PLANT & EQUIPMENT

All information relating to property, plant and equipment is given in Note 3 and 4 to the financial statements.

STATED CAPITAL

The stated capital of the Company as at 31st March 2026 was Rs. 100,371,584/- represented by 306,843,357 Shares.

SHARE INFORMATION

The distribution and composition of shareholders and the information relating to dividends, market value per share, and share trading are given in the Investor Information section of the Annual Report.

MAJOR SHAREHOLDERS

Details of the twenty five largest shareholders of the Company and the percentages held by each of them are disclosed in the Investor Information section of the Annual Report.

INVESTMENTS

Detailed description of the long term investments held as at the reporting date is given in Note 6 to the financial statements.

REVENUE RESERVES

Revenue reserves as at 31st March 2026 for the Company and the Group amounted to Rs. 423 Mn (2025 – Rs. 488 Mn) and Rs. 3,645 Mn (2025 – Rs. 3,546 Mn) respectively. The movement and composition of the reserves are disclosed in the Statement of Changes in Equity.

THE BOARD OF DIRECTORS

The Directors of the Company as at 31st March 2026 were as follows and their brief profiles are given in the Board of Directors section of the Annual Report:

Dr. K A Amarasinghe
Mr. R P Pathirana
Mr. B D P D Perera
Mr. M R Jiffrey
Mr. U K D Dharmadasa
Ms. N M Boralessa
Mr. M Adamaly

RETIREMENT AND RE-ELECTION OF DIRECTORS

As per Article 81 of the Articles of Association of the Company, Mr. B D P D Perera and Mr. M R Jiffrey retire by rotation, and being eligible, offer themselves for re-election.

INTERESTS REGISTER AND INTERESTS IN CONTRACTS

The Company has maintained an Interests Register as required by the Companies Act No. 7 of 2007.

All the Directors have made a general disclosure relating to share dealings and other Directorships to the Board of Directors as

Annual Report of the Board of Directors

required by Section 192(2) of the Companies Act No. 7 of 2007 and no additional interests have been disclosed by any Director. The Interests Register is available at the office of the Company Secretaries of the Company, in keeping with the requirements of Section 119(1)(d) of the Companies Act No. 7 of 2007.

DIRECTORS REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in Note 29.3 to the financial statements.

CORPORATE GOVERNANCE

The Board of Directors are committed towards maintaining an effective Corporate Governance Framework and implementing systems and structures required to ensure best practices in Corporate Governance and their effective implementation. The company is opposed to all forms of bribery and corruption. The Corporate Governance Framework is given in the Corporate Governance Review section of the Annual Report.

EMPLOYMENT

The Group employment policies focus on recruiting the best people, providing them training to enhance their skills, recognition of innate skills and competencies of each individual while offering equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Employee's behavior is governed by a separate code of conduct including other policies and procedures such as the anti-bribery policy, disciplinary code, whistle blowing policy, anti-money laundering policy, etc. Regular training is conducted for employees to raise awareness, reiterate the importance of reporting potential violations and to commit themselves to counter corruption by all means.

The number of persons employed by the Company and Group as at 31st March 2026 was nil (2024 - Nil) and 888 (2025 - 929) respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavors to comply with best practices applicable.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the statement of financial position date have been paid or where relevant provided for.

RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Group. The significant risks faced by the group and the group's risk mitigating strategies are given in the Risk Management section of the Annual Report.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, Beira Brush (Pvt) Ltd, a wholly owned subsidiary of BPPL Holdings PLC, entered into a Business Transfer Agreement with Ravi Industries Limited to acquire its customer base together with the rights to use the 'Ravi' trademark and related intellectual property. The minimum consideration under the agreement amounts to Rs. 300 million, payable over a period of five years. This transaction was approved by the Board of Directors on 10 July 2026. The financial effects of the transaction will be reflected in the financial statements for the period in which the transaction is completed.

GOING CONCERN

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

AMOUNTS PAYABLE TO THE FIRM HOLDING OFFICE AS AN AUDITOR

Details of audit fees paid to the Auditors for the period under review are set out in Note 20 to the financial statements.

AUDITOR'S RELATIONSHIP OR ANY INTEREST WITH THE COMPANY

The Directors are satisfied that the auditors did not have any relationship or any interest with the Company that would impair their independence.

APPOINTMENT OF AUDITORS

The Audit Committee of the Company has recommended the re-appointment of M/s. Ernst & Young, Chartered Accountants, as the auditors of the Company and a resolution to re-appoint the auditors, M/s. Ernst & Young, Chartered Accountants, who have expressed their willingness to continue, will be proposed at the Annual General Meeting of the Company.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors, the Company or Group has not engaged in any activity which contravenes laws and regulations of the Country.

ANNUAL REPORT

The Board of Directors approved the financial statements on 11th August 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board on 02nd September 2026.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Excel World, Marcopolo Lounge, No. 338 T.B. Jayah Mawatha, Colombo 10 on Wednesday 23rd September 2026 at 11.00 am. The Notice of Meeting appears on page 132 of this Annual Report.

This Annual Report of the Directors has been signed on behalf of the Board by:

Dr. Anush Amarasinghe
Chairman/MD

Mr. Rizan Jiffrey
Director

Secretarius (Private) Limited
Secretaries
Colombo
31st August 2026

FINANCIAL REPORTS

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
Chartered Accountants
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Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BPPL HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BPPL Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matter that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

Key audit matter

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Assessment of fair value of freehold lands
Property, Plant and Equipment include freehold lands carried at fair value. The fair value of freehold lands was determined by the external valuer engaged by the company.

This was a key audit matter due to:
• The materiality of the reported fair value of freehold lands which amounted to Rs. 1,148 Mn representing 14% of the Company's total assets as of the reporting date; and
• The degree of assumptions, judgements and estimation uncertainties are associated with fair valuation of freehold lands using the Market Approach (Comparison Method).

Key areas of significant judgments, estimates and assumptions used in assessing the fair value of freehold lands, as disclosed in Notes 2.2, 2.4.8 and 03 to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as:

Estimate of the price per square foot</td><td>Our audit procedures included the following key procedures:

• Evaluated the competence, capabilities, and objectivity of the external valuer engaged by the Company
• Inspected their valuation reports and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property
• Assessed the reasonableness of key assumptions by reference to market data, recent transactions, and prevailing economic conditions, and the appropriates of valuation techniques, with the involvement of specialists.

We also assessed the adequacy of the disclosures made in notes 2.2, 2.4.8 and 03 to the financial statements.</td></tr>
<tr><td>Carrying value of inventories
As of the reporting date, the carrying value of inventories of the Group amounted to Rs. 1,278 Mn as disclosed in Note 8 to the financial statements.

This was a key audit matter due to:

• The materiality of the reported inventory balance which represented 16% of the Group's total assets as of the reporting date;
• The degree of assumptions, judgements and estimations applied by the management in determining the carrying value of inventories as disclosed in notes 2.4.5 and 8 to the financial statements.</td><td>Our audit procedures included the following key procedures:

• Understood the process involved in the measurement of inventories
• Observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported
• Assessed the reasonableness of judgements applied by management in calculating weighted average cost and estimation of the provision for inventories. Our procedures included testing the completeness and accuracy of inventory age reports used as a basis to estimate the provision.
• Tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices and expected recoveries;

We also assessed the adequacy of disclosures made in relation to the measurement of inventories in Notes 2.4.5 and 8 to the financial statements.</td></tr>
</table>

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

The Annual Report is expected to be made available to us after the date of this auditor's report. The Management is responsible for the other information. our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements.

EY

Shape the future with confidence

We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 8913.

11 August 2026
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 March 2026		Group		Company	
	Note	2026	2025	2026	2025
ASSETS		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Non-Current Assets					
Property, Plant and Equipment	3	4,621,703	4,549,104	1,299,475	1,056,255
Right of Use Assets	4	26,157	39,938	-	-
Intangible Asset	5	34,862	38,948	-	-
Investment in Financial Assets	6	125,087	43,061	-	-
Investment in Subsidiaries	7	-	-	501,572	501,572
Deferred Tax Assets	13	63,197	54,990	-	-
		4,871,006	4,726,041	1,801,047	1,557,827
Current Assets					
Inventories	8	1,278,214	1,391,200	-	-
Trade and Other Receivables	9	1,617,183	1,634,855	3,375	8,313
Income Tax Receivables		7,681	805	-	-
Cash and Bank Balances	16	441,454	303,483	1,202	1,782
		3,344,532	3,330,343	4,577	10,095
Total Assets		8,215,538	8,056,384	1,805,624	1,567,922
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	10	100,372	100,372	100,372	100,372
Revaluation Reserve		793,420	604,272	724,733	549,663
Hedging Reserve		-	-	-	-
Transaltion Reserve		8,062	2,410	-	-
Retained Earnings		3,644,771	3,545,591	422,698	488,474
		4,546,625	4,252,645	1,247,803	1,138,509
Non-Controlling Interests		-	-	-	-
Total Equity		4,546,625	4,252,645	1,247,803	1,138,509
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	11	880,230	863,891	-	-
Deferred Tax Liabilities	13	386,006	338,101	351,828	273,552
Lease Liability	4	21,242	23,675	-	-
Retirement Benefit Obligations	14	99,933	76,390	-	-
		1,387,411	1,302,057	351,828	273,552

STATEMENT OF FINANCIAL POSITION

As at 31 March 2026		Group		Company	
	Note	2026	2025	2026	2025
ASSETS		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Current Liabilities					
Trade and Other Payables	15	411,449	558,790	186,653	151,800
Income Tax Payable		30,351	45,566	18,188	1,240
Lease Liability	4	1,238	12,391	-	-
Interest Bearing Loans and Borrowings	11	1,838,464	1,884,935	1,152	2,821
		2,281,502	2,501,682	205,993	155,861
Total Equity and Liabilities		8,215,538	8,056,384	1,805,624	1,567,922
Net Asset per Share		14.82	13.86	4.07	3.71
Market Price per Share		16.60	19.00	16.60	19.00

These Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.

Ms. T Kularasan
DGM - Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

Dr. K A Amarasinghe
Chairman

Mr. Rizan Jiffrey
Director

The accounting policies and notes on pages 84 through 125 form an integral part of the financial statements.

11 August 2026
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2026		Group		Company	
	Note	2026	2025	2026	2025
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Revenue	17	5,636,601	5,537,934	-	-
Cost of Sales		(4,199,099)	(4,420,119)	-	-
Gross Profit		1,437,502	1,117,815	-	-
Other Operating Income	18	6,458	9,836	157,089	97,200
Selling and Distribution Expenses		(230,906)	(270,682)	(1,640)	(1,180)
Administrative Expense		(669,337)	(646,290)	(29,494)	(45,564)
Operating Profit		543,717	210,679	125,955	50,456
Net Finance Income/ (Expenses)	19	(265,931)	(223,086)	(363)	(374)
Profit/ (Loss) Before Tax	20	277,786	(12,407)	125,592	50,082
Income Tax Expense	12	(15,166)	(42,198)	(37,946)	(15,510)
Profit/ (Loss) for the Year		262,620	(54,605)	87,646	34,572
Number of Ordinary Shares		306,843	306,843	306,843	306,843
Earnings Per Share	21	0.86	(0.18)	0.29	0.11
Dividend		153,422	107,395	153,422	107,395
Dividend Per Share	22	0.50	0.35	0.50	0.35
Attributable to :					
Equity Holders of the Parent		262,620	(54,605)	-	-

The accounting policies and notes on pages 84 through 125 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2026			
Group	**Note**	**2026**	**2025**
		(Rs.'000)	**(Rs.'000)**
Profit/ (Loss) for the Year		262,620	(54,605)
Other Comprehensive Income			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Hedge Adjustment		-	366,495
Translation Reserve		5,652	2,410
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Year (Net of tax)			
Retirement Benefit Obligation Actuarial Gain/(Loss)	14	(13,533)	14,931
Deferred Tax Attributable to Actuarial (Gain)/Loss	13	3,515	(3,704)
Revaluation Surplus		266,662	-
Tax on Land revaluation		(77,514)	-
Other comprehensive income for the year (Net of tax)		184,782	380,132
Total Comprehensive Income for the Year, after Tax		447,402	325,527
Attributable to :			
Equity Holders of the Parent		447,402	325,527

Company		**2026**	**2025**
		(Rs.'000)	**(Rs.'000)**
Profit for the Year		87,646	34,572
Other Comprehensive Income			
Other Comprehensive Income that will not be Reclassified to Profit or Loss			
Hedge adjustment		-	-
Retirement Benefit Obligation Actuarial Gain/(Loss)	14	-	-
Deferred Tax Attributable to Actuarial (Gain)/Loss	13	-	-
Revaluation Surplus		250,100	-
Tax on Land revaluation		(75,030)	-
Other comprehensive income for the year (Net of tax)		175,070	-
Total Comprehensive Income for the Year, after Tax		262,716	34,572

The accounting policies and notes on pages 84 through 125 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2026	Stated	Revaluation	Hedging	Translation	Retained	Total
	Capital	Reserve	Reserve	Reserve	Earnings	Equity
Group	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Balance as at 31 March 2024	100,372	604,272	(366,495)	-	3,696,364	4,034,513
Profit for the Year	-	-	-	2,410	(54,605)	(52,195)
Other Comprehensive Income	-	-	366,495	-	14,931	381,426
Tax on Other Comprehensive Income	-	-	-	-	(3,704)	(3,704)
Total Comprehensive Income	-	-	366,495	2,410	(43,378)	325,527
Dividend Paid	-	-	-	-	(107,395)	(107,395)
Balance as at 31 March 2025	100,372	604,272	-	2,410	3,545,591	4,252,645
Profit for the Year	-	-	-	5,652	262,620	268,272
Revaluation Surplus		266,662	-	-	-	266,662
Tax on Land revaluation		(77,514)	-	-	-	(77,514)
Other Comprehensive Income	-	-	-	-	(13,533)	(13,533)
Tax on Other Comprehensive Income	-	-	-	-	3,515	3,515
Total Comprehensive Income	-	189,148	-	5,652	252,602	447,402
Dividend Paid	-	-	-	-	(153,422)	(153,422)
Balance as at 31 March 2026	100,372	793,420	-	8,062	3,644,771	4,546,625
Company						
Balance as at 31 March 2024	100,372	549,663	-	-	561,297	1,211,332
Profit for the Year	-	-	-	-	34,572	34,572
Total Comprehensive Income	-	-	-	-	34,572	34,572
Dividend Paid	-	-	-	-	(107,395)	(107,395)
Balance as at 31 March 2025	100,372	549,663	-	-	488,474	1,138,509
Profit for the Year	-	-	-	-	87,646	87,646
Revaluation Surplus	-	250,100	-	-	-	250,100
Tax on Land revaluation	-	(75,030)	-	-	-	(75,030)
Other Comprehensive Income	-	-	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	175,070	-	-	87,646	262,716
Dividend Paid	-	-	-	-	(153,422)	(153,422)
Balance as at 31 March 2026	100,372	724,733	-	-	422,698	1,247,803

The accounting policies and notes on pages 84 through 125 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2026		Group		Company	
	Note	2026	2025	2026	2025
Cash Flows From / (Used in) Operating Activities		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Cash Flow from Operating Activities					
Profit before tax		277,786	(12,407)	125,592	50,082
Adjustments for					
Depreciation	3	350,056	338,031	11,697	13,828
Amortisation	5	8,339	8,325	-	-
Amortisation - Leasehold land	4	13,781	101,919	-	702
Provision for Retirement Benefit Obligations	14	20,408	25,296	-	-
Interest Income	19	(4,598)	(351)	(6)	(6)
Finance Cost	19	175,596	239,100	398	37
Profit/(Loss) from disposal of fixed assets		5,453	(1,560)	-	-
Gain/loss on lease modification		-	(2,699)	-	-
Unrealised Exchange loss		103,674	39,751	-	-
Provision for Slow Moving Stocks		-	(2,989)	-	-
Operating Profit Loss Before Working Capital Changes		950,495	732,415	137,682	64,644
(Increase)/Decrease in Inventories		112,986	(168,150)	-	-
(Increase)/Decrease in Trade and Other Receivables		17,672	46,048	4,938	13,813
Increase/(Decrease) in Trade and Other Payables		(147,340)	134,155	34,853	143,355
Cash Generated from Operations		933,813	744,468	177,471	221,811
Income Tax Paid		(71,559)	(143,372)	(17,753)	(67,869)
Retirement Benefit Obligations Costs paid		(10,398)	(24,517)	-	-
Interest Paid		(172,171)	(230,003)	(398)	(37)
Cash Flow from Operating Activities		679,685	346,576	159,321	153,905

Year ended 31 March 2026		Group		Company	
	Note	2026	2025	2026	2025
Cash Flows From / (Used in) Operating Activities		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Cash Flow from Investing Activities					
Acquisition of Property, Plant and Equipment	3	(160,564)	(151,038)	(4,817)	(17,786)
Acquisition of Intangible Assets	5	(4,253)	(4,371)	-	-
Proceeds from Disposal of Fixed Assets		940	1,941	-	-
Investment in Financial assets		(82,026)	(43,060)	-	-
Interest Received		4,598	351	6	6
Capital Work In Progress	3	(1,822)	(207)	-	-
Net Cash Flows used in Investing Activities		(243,127)	(196,384)	(4,811)	(17,781)
Cash Flow from Financing Activities					
Repayment of Interest Bearing Loans and Borrowings		(5,217,110)	(7,388,040)	-	-
Proceeds from Interest Bearing Loans and Borrowings		5,101,760	7,763,631	-	-
Lease rental paid		(17,013)	(110,147)	-	(1,041)
WHT on dividend		(23,013)	(16,109)	(23,013)	(16,109)
Dividends Paid		(130,408)	(91,286)	(130,408)	(91,286)
Net Cash Flows from/(used in) Financing Activities		(285,784)	158,048	(153,421)	(108,436)
Net Increase/ (Decrease) in Cash and Cash Equivalents		150,774	308,240	1,089	27,689
Cash and Cash Equivalent at the beginning of the period	16	284,123	(24,117)	(1,039)	(28,727)
Cash and Cash Equivalent at the end of the period	16	434,897	284,123	50	(1,039)

The accounting policies and notes on pages 84 through 125 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

BPPL Holdings PLC ("Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and principle place of business is located at level 17, Access Towers, No. 278/4, Union Place, Colombo 02.

1.2 Principal Activities and Nature of Operations

Company

During the year, the principal activities of the Company were manufacturing and exporting of wooden handles for brooms and brushes.

Group

During the year, the principal activities of the Group were manufacturing and exporting of wooden handles, brooms, brushes, mops, synthetic filament and polyester yarn.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Infinity Capital (Private) Limited, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The consolidated financial statements of BPPL Holdings PLC for the year ended 31 March 2026 were authorized for issue in accordance with a resolution of the board of directors on 11 August 2026.

2. GENERAL POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Group have been on an accrual basis under the historical cost convention unless otherwise stated. The consolidated financial statements are presented in Sri Lankan Rupees which is the Group functional and presentation currency.

2.1.1 Statement of Compliance

The financial statements which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended and notes (to the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Charted Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

2.1.2 Comparative Information

Presentation and classification of the Financial Statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of current year. These have not resulted any change in results of the Company.

2.1.3 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The management has considered the potential downsides that the economic recession could bring to the business operations of the Group, in making this assessment.

The consequences of the economic recession on significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. As the economic effects continue to evolve, the management has considered a range of scenarios to determine the potential impact on the underlying performance and future funding requirements. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial Statements continue to be prepared on a going concern basis.

The Group has adequate resources comprising cash and cash equivalents and sufficient headroom on unused credit lines at the date of authorisation of these financial statements.

Future Outlook

The continued impact of the recession on Sri Lanka's economy, global demand and supply cannot be accurately predicted at this time. The recovery period of key industries most likely to take at least several months. Hence, the overall future impact on the operations of the Group is not immediately predictable. Multiple risks that have persisted including increased exchange rate volatility, foreign currency availability and import restrictions.

The Group's businesses focus primarily on the foreign consumer. As such, The Group anticipates that demand for its products and services will continue to recover.

2.2 Significant Accounting Judgements, Estimates and Assumptions

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Revaluation of Freehold Lands

The Lands of the Group are reflected at fair value. Freehold Lands are valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Lands, with the assistance of an independent professional valuer.

In determining the fair value of the lands as at reporting date in the wake of economic recession, the group obtained advice of independent external valuer. Given the unprecedented and evolving set of circumstances arising due to economic recession, the external independent valuer has valued the lands having regarded all the relevant factors and reported the values as reflected on the basis of material valuation uncertainty.

In determining the regularity of revaluation, the Group refers to general market prices of lands in districts where the Group's operations are based, in consultation with an independent professional valuer. Further information including key inputs used to determine the fair value of the freehold lands and sensitivity analysis are provided in Note 3.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the financial statements.

Defined Benefit Plans

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further information is given in Note 14.

Incremental Borrowing rate

The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2026 was 12%.

2.3 CONSOLIDATION POLICY

2.3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
ii. Exposure, or rights, to variable returns from its involvement with the investee
iii. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement(s) with the other vote holders of the investee
ii. Rights arising from other contractual arrangements
iii. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3.2 Transactions Eliminated on Consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Material Accounting Policy Information

2.4.1 Foreign Currency Translation

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in

Notes to the Financial Statements

terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4.2 Taxation

a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and the amendments thereto.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

Pursuant to the agreement dated 17 September 2009 entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, Eco Spindles (Pvt) Ltd was 24% from income taxes on profit the business of manufacturing of plastic resins and monofilament yarn, for a period of 08 years, reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operation which ever year is earlier as may be specified in a certificate issued by the Board. Thereafter it will be 10% for a period of 02 years immediately succeeding the last date of the tax exemption period and thereafter profit and income of the enterprise shall be charged for any year of assessment at the rate of 15%. The Company is liable to pay tax on other income. Accordingly, Eco Spindles (Pvt) Ltd will be taxed at 15% on qualified profit, 30% on qualified export profits, 30% on manufacturing profits and liable to income tax at 30% on other taxable profits during the Year 2025/2026.

b) Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss and other comprehensive income.

On April 23, 2021 the institute of Chartered Accountants of Sri Lanka issued a guideline to provide an interpretation on the application of tax rates which is "substantively enacted" in the measurement of current tax and deferred tax for the financial reporting period ended after March 26, 2021 by replacing the guideline issued in 2015 on Application of Tax Rates in Measurement of Deferred Tax.

According to the said guidance 'Substantively enacted' means the Bill introducing the change being taken up at the Parliament for the First Reading. Accordingly, Financial Statements having a period ended after March 26, 2021, should use such proposed tax rules and rates in the Bill for determination of current tax and deferred tax.

2.4.3 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. The rates of amortizations estimated as follows.

Assets Category	Group		Company	
	2026	2025	2026	2025
Enterprise Resource Planning System	8 Years	8 Years	8 Years	8 Years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

2.4.5 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition are accounted using the following cost formulae: -

Raw Materials	At actual cost on weighted average cost basis
Finished Goods & Work-in-progress	At the cost of direct materials, direct labour and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing Costs.
Consumables & Spares	At purchase cost on weighted average basis.
Good in Transit	At Purchase cost

2.4.6 Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

2.4.7 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.4.8 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Notes to the Financial Statements

Capital expenditure incurred in relation to fixed assets which are not completed as at the reporting date are shown as capital work-in-progress and is stated at cost less accumulated impairment. On completion, the related assets are transferred to property, plant and equipment. Depreciation on such assets commences when the assets are ready for their intended use.

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Lands are measured at fair value at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on straight line basis over the estimated useful lives of all Property, Plant and Equipment.

Depreciation is calculated on straight line basis over the estimated useful lives of the assets as follows;

Assets Category	Group		Company	
	2026	2025	2026	2025
Buildings on Freehold Lands	40Years	40Years	40Years	40Years
Plant and Machinery	10-25Years	10-25Years	10-25Years	10-25Years
Motor Vehicles	06Years	06Years	06Years	06Years
Furniture and Fittings	08Years	08Years	08Years	08Years
Factory Equipment	08-20Years	08-20Years	08-20Years	08-20Years
Air Conditioner and Generator	08Years	08Years	08Years	08Years
Office Equipment	08Years	08Years	08Years	08Years

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

2.4.9 Investments

a. Initial Recognition:

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The Group distinguishes and presents current and non current investments in the date of statement of financial position.

b. Measurement

Current Investments

Current Investments are stated at the Cost or if the investment is traded at the market then at Market Value.

Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to profit or loss.

2.4.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

2.4.11 Retirement Benefit Obligations

(a) Defined Contribution Plans –Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits.'

The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively. The contributions made are expensed to Profit or Loss as and when the contributions are made.

(b) Defined Benefit Plan – Gratuity

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees. Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on 'Employee Benefits.'

The liability recognised in the Statement of financial position is the present value of the defined benefit obligation at the reporting date. The calculations performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in other comprehensive income. The discount rate has been derived considering the yield of government bonds.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

The gratuity liability is not externally funded.

2.4.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognise right of use assets and lease liabilities.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 4 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay,' which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

2.4.13 Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot "exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the Statement of Profit and loss and other Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.4.14 Financial Instruments

i. Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9, are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

The Group classifies all of these financial assets in the measurement category of financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through OCI. Categories of financial assets as per SLFRS 9 are limited only for the followings.

(i) Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets (debt instruments) at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, short term deposits and cash and bank.

(ii). Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss

(iii). Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

ii. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings and. Accordingly Group financial liabilities have been classified as and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

- Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

The accounting for financial liabilities under SLFRS 9 remains largely the same as it was under LKAS 39.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 24.

iii. Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged.

The item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

When a financial instrument is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the financial instrument is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the financial instrument that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the financial instrument is recognised immediately in profit or loss.

The Group has established a hedge ratio of 0.98 between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting. Moreover, the hedge effectiveness is set at 98% as per the contractual terms where the fair value change in the hedge item is 98% efficient in offsetting the fair value change of the liability. The fair value is calculated as the present value of the estimated future cash flows.

Discontinuation of Cash flow Hedge

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedge is discontinued, the amount that has been accumulated in the hedge reserve remain in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or , for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedge expected future cash flows affect profit or loss.

Cash Flow Hedge Reserve

The Group designates its identified foreign currency loans as a hedging instrument in order to hedge the variation in highly probable specifically identified future foreign currency revenue attributable to changes in foreign exchange rates.

The effective portion of the gain or loss on the hedging instrument is recognised in the Cash Flow Hedge Reserve, through Other Comprehensive Income while any ineffective portion is recognised immediately in the Statement of Profit or Loss.

2.4.15 Statement of profit and loss and other comprehensive income

Revenue Recognition

The Group is in the business of manufacturing and exporting of wooden handles, brooms, brushes, mops and synthetic fibre. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, driver incentives and customer incentives.

The following specific criteria are used for recognition of revenue:

a) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, considering relevant terms of delivery. The normal credit term is 30 to 120 days upon Bill of Lading date.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points and claims). In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Significant Financing Component

Occasionally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

c) Rent Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

d) Interest

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss of Profit or Loss.

e) Dividends

Revenue is recognised when the Group's right to receive the payment is established.

f) Others

Other income is recognised on an accrual basis.

2.4.16 Expenditure Recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

2.4.17 Finance Cost

Finance costs comprise interest expense on borrowings that is recognized in the statement of comprehensive income.

2.4.18 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Group's Chief

Executive Officer (CEO) to make decisions about resources to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.5 Standards Issued but not yet effective

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountabilities are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027.
Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

3. PROPERTY, PLANT AND EQUIPMENT

Group 3.1 At Cost	Balance as at 01.04.2025 (Rs.'000)	Additions (Rs.'000)	Revaluation (Rs.'000)	Disposals (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Buildings	642,886	4,138	-	-	647,024
Plant and Machinery	3,525,291	31,234	-	(1,926)	3,554,599
Motor Vehicles	74,340	-	-	-	74,340
Furniture and Fittings	36,142	1,684	-	(20)	37,805
Factory Equipment	823,511	54,235	-	(2,175)	875,571
Tools	245,420	62,555	-	-	307,975
Office Equipment	113,357	6,718	-	(2,289)	117,786
	5,460,946	160,564	-	(6,410)	5,615,100
At Valuation					
Freehold Lands	881,138	-	266,662	-	1,147,800
	881,138	-	266,662	-	1,147,800
Capital Work-In-Progress					
Plant and Machinery	3,208	20,915	-	(24,123)	-
	3,208	20,915	-	(24,123)	-
Total Value of Assets	6,345,292	181,479	266,662	(30,533)	6,762,900

3.2 Depreciation At Cost	Balance as at 01.04.2025 (Rs.'000)	Charge for the period (Rs.'000)	Disposals (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Buildings	135,751	15,598	-	151,350
Plant and Machinery	1,032,568	169,386	(1,041)	1,200,914
Motor Vehicles	62,470	3,314	-	65,784
Furniture and Fittings	20,384	3,460	(20)	23,824
Factory Equipment	320,047	86,306	(1,741)	404,611
Tools	156,939	61,388	-	218,327
Office Equipment	68,028	10,604	(2,245)	76,387
Total Depreciation	1,796,188	350,056	(5,047)	2,141,197

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

3.3 Net Book Values

At Cost	2026 (Rs.'000)	2025 (Rs.'000)
Buildings	495,674	507,135
Plant and Machinery	2,353,685	2,492,722
Motor Vehicles	8,556	11,870
Furniture and Fittings	13,981	15,757
Factory Equipment	470,961	503,464
Tools	89,648	88,481
Office Equipment	41,399	45,329
	3,473,903	3,664,758
At Valuation		
Freehold Lands	1,147,800	881,138
	1,147,800	881,138
Capital Work-In-Progress		
Plant and Machinery	-	3,208
	-	3,208
	4,621,703	4,549,104

3.4 During the financial year, the Company's freehold lands were revalued by an independent professional valuer, Mr. D. Prathapasinghe, using the Market Comparable Approach. The resulting surplus has been recognised in the revaluation reserve.

	Extent	Range of estimated market price per perch (significant unobservable input)	Valuation (Rs.' 000)	Prior Valuation (31 March 2023) (Rs.)	Latest Date of Valuation
BPPL Holdings Plc					
Land - Ingiriya	9A-1R-30.80P	2026 - Rs. 656,209 (2023 - Rs. 500,000)	991,400	755,400	31/03/2026
Land - Padukka	0A -3R-21P	2026 - Rs.400,000 (2023 - Rs. 300,000)	56,400	42,300	31/03/2026
Eco Spindles (Pvt) Ltd					
Land - Mawgama	01A-2R-27P	2026 - Rs 374,532 (2023 - Rs. 312,500)	100,000	83,438	31/03/2026

3.5 Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a 10% increase or decrease in the estimated price per perch would result in an approximately Rs. 114.8 million increase or decrease in the fair value of freehold land, respectively

3.6 The carrying amount of revalued land that would have been included in the financial statements of the Group and Company had the asset been carried at cost Rs. 49,794,331/- and Rs. 22,530,333/- respectively.

3.7 Company

At Cost	Balance as at 01.04.2025 (Rs.'000)	Additions (Rs.'000)	Revaluation (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Buildings	264,765	4,138	-	268,902
Plant and Machinery	57,840	-	-	57,840
Furniture and Fittings	1,089	-	-	1,089
Factory Equipment	73,252	680	-	73,932
Office Equipment	3,029	-	-	3,029
Total Value of Assets	399,974	4,817	-	404,792
At Valuation				
Freehold Lands	797,700	-	250,100	1,047,800
	797,700	-	250,100	1,047,800
			-	-
	1,197,674	4,817	250,100	1,452,592

3.8 Depreciation

At Cost	Balance as at 01.04.2025 (Rs.'000)	Charge for the period (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Buildings	72,932	6,241	79,173
Plant and Machinery	10,455	2,672	13,127
Furniture and Fittings	884	51	936
Factory Equipment	54,708	2,604	57,311
Office Equipment	2,441	130	2,571
Total Depreciation	141,420	11,697	153,117

NOTES TO THE FINANCIAL STATEMENTS

3.9	Net Book Values	2026	2025
	At Cost	(Rs.'000)	(Rs.'000)
	Buildings	189,730	191,833
	Plant and Machinery	44,713	47,385
	Furniture and Fittings	153	204
	Factory Equipment	16,621	18,545
	Office Equipment	458	588
		251,675	258,555
	At Valuation		
	Freehold Lands	1,047,800	797,700
		1,047,800	797,700
		1,299,475	1,056,255

3.10 During the financial year, the Group an Company acquired Property, Plant and Equipment to the aggregate value of Rs. 162,385,775 and Rs. 4,817,359/- (2025 Rs. 151,037,720 and Rs. 17,786,333/-). respectively. Cash payments amounting to Rs. 162,385,775 and Rs. 4,817,359/- (2025 - Rs. 151,037,720 and Rs. 17,786,333/-) respectively were made during the year for purchase of Property, Plant and Equipment.

3.11 Property, Plant and Equipment of the Group and Company includes fully depreciated assets having a gross carrying amounts of Rs.493,000,088/- and Rs 46,133,665/- (2025 - Rs 351,272,119 and Rs.38,279,320/-) respectively

3.12 The number of permanent buildings of the Company and their address and status are given below

Company Name	No of Buildings	Address	Location Status
Eco Spindles (Pvt) Ltd	9	Batuwita, Horana	Filament
BPPL Holdings PLC	32	88, Panadura Road, Ingriya	Brush, Wood and Plastic Plant facility
BPPL Holdings PLC	3	Poragedera, Padukka	Timber Plant Facility

4. RIGHT OF USE ASSETS

4.1 Right of Use Asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of right of use lease assets of the company is as follows;

Group

4.1.1 At Gross Value	**Balance As at 01.04.2025 (Rs.'000).**	**Additions (Rs.'000).**	**De-Recognition (Rs.'000).**	**Balance As at 31.03.2026 (Rs.'000).**
Building - Office Premises	170,980	-	(148,040)	22,940
Land - Factory Premises	30,720	-	-	30,720
	201,700	-	(148,040)	53,660

4.1.2 Amortization	**Balance As at 01.04.2025 (Rs.'000).**	**Charge during the year (Rs.'000).**	**De-Recognition (Rs.'000).**	**Balance As at 31.03.2026 (Rs.'000).**
Building - Office Premises	156,779	13,109	(148,040)	21,848
Land - Factory Premises	4,983	672	-	5,655
	161,762	13,781	(148,040)	27,503

4.1.3 Net book values			**2026 (Rs.'000).**	**2025 (Rs.'000).**
Building - Office Premises			1,092	14,201
Land - Factory Premises			25,065	25,737
			26,157	39,938

Notes to the Financial Statements

Company

4.1.4. **At Gross Value**

	Balance As at 01.04.2025 (Rs.'000)	Additions (Rs.'000)	De-Recognition (Rs.'000)	Balance As at 31.03.2026 (Rs.'000)
Building - Office Premises	39,283	-	(39,283)	-
	39,283	-	(39,283)	-

4.1.5 *Amortization*

	Balance As at 01.04.2025 (Rs.'000)	Charge during the year (Rs.'000)		Balance As at 31.03.2026 (Rs.'000)
Building - Office Premises	39,283	-	(39,283)	-
	39,283	-	(39,283)	-

Company

4.1.6 *Net book values*

	2026 (Rs.'000)	2025 (Rs.'000)
Building - Office Premises	-	-
	-	-

4.1.7 The Rates of Amortization is estimated as follows; (Straight Line basis)

Group

	2026	2025
Land - Factory Premises	44 Years	44Years
Building - Office Premises	2 Years	2 Years

4.2 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the company's incremental borrowing rate. The movement of Lease creditor for the period is as follows;

4.2.1 Group	Balance as at 01.04.2025 (Rs.'000)	Addition (Rs.'000)	Interest Expense Recognized in Profit or Loss (Rs.'000)	Lease Payment (Rs.'000)	De-Recognition (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Building - Office Premises	14,761	-	898	(14,454)	-	1,205
Land - Factory Premises	21,305	-	2,529	(2,559)	-	21,275
	36,066	-	3,427	(17,013)	-	22,480

	2026			2025		
	Amount repayable within 1 year (Rs.'000)	Amount repayable after 1 year (Rs.'000)	Total (Rs.'000)	Amount repayable within 1 year (Rs.'000)	Amount repayable after 1 year (Rs.'000)	Total (Rs.'000)
Building - Office Premises	1,205	-	1,205	12,364	2,397	14,761
Land - Factory Premises	33	21,242	21,275	27	21,278	21,305
	1,238	21,242	22,480	12,391	23,675	36,066

5. INTANGIBLE ASSETS

Group	2026 (Rs.'000)	2025 (Rs.'000)
Cost		
As at 1 April	93,756	89,385
Acquired	4,253	4,371
As at 31 March	98,009	93,756
Amortisation		
As at 1 April	54,809	46,484
Amortisation for the year	8,339	8,325
As at 31 March	63,147	54,808
Net book value		
As at 1 April	38,948	42,901
As at 31 March	34,862	38,948

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONTD.)

5.1 During the financial year, the Group and Company acquired Intangibe assets to the aggregate value of Rs. 4,252,897/- and Rs. Nil/- (2025 - Rs. 4,371,143/- and Rs. Nil/-) respectively. Cash payments amounting to Rs. 4,252,897/- and Rs. Nil/- (2025 - Rs. 4,371,143/- and Rs. Nil/-)

5.2 Intangible assets in Group includes fully depreciated assets having a gross carrying amounts of Rs.28,695,337/- (2025 - Rs.26,195,337/-).

6. INVESTMENT IN FINANCIAL ASSETS

	Portfolli Investment - Bank J. Safra Sarasin Ltd, Singapore Branch		Long term Fixed deposit National Bank of Fujerah	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
As at 1 April	-	-	43,060	-
Acquired	156,368	-	-	43,060
Disposed	(29,471)	-	(43,060)	-
Fair value adjustment	(1,811)	-	-	-
	125,086	-	-	43,060

Financial assets measured at fair value - Gain/Loss of fair valuation of financial assets recognised through profit/Loss

7. INVESTMENT IN SUBSIDERIES

7.1 Company	Direct Holdings 2026	Direct Holdings 2025	Direct Investments 2026	Direct Investments 2025
Beira Brush (Pvt) Limited	100%	100%	501,572,230	501,572,230
BPPL Enterprises (Pvt) Ltd	100%	100%	10	10
Total			501,572,240	501,572,240

7.2 Group companies	Principal Place of Business	Relationship	Principal activities
Beira Brush (Private) Limited	Level 17 Access Tower, 278/4 Union Place, Colombo 2	Subsidiary	Manufacturing and exporting of brooms and brushes and mops
ECO Spindles (Private) Ltd	Level 17 Access Tower, 278/4 Union Place, Colombo 2	Sub-Subsidiary	Manufacturing of Monofilament and yarn for direct and indirect export
BPPL Enterprises (Private) Ltd	Level 17 Access Tower, 278/4 Union Place, Colombo 2	Subsidiary	Buying and exporting brush, mops and cleaning material
BBL L.L.C.	Office MF 70, Nooraniyah Building, Hor Al Anz, Dubai, United Arab Emirates.	Sub-Subsidiary	Sales office - Dubai

8. INVENTORIES

	Group 2026 (Rs.'000)	Group 2025 (Rs.'000)	Company 2026 (Rs.'000)	Company 2025 (Rs.'000)
Raw Materials	794,583	809,069	-	-
Work in Progress	1	1,512	-	-
Finished Goods	218,024	249,317	-	-
Goods In Transit	73,127	134,885	-	-
Consumables and Spares	192,479	196,417	-	-
	1,278,214	1,391,200	-	-

During the financial year Rs 3,019,388/- of non moving inventories recognised as expenses

8.1 Provision for slow moving inventory

	Group 2026 (Rs.'000)	Group 2025 (Rs.'000)	Company 2026 (Rs.'000)	Company 2025 (Rs.'000)
At the beginning of the year	-	2,989	-	-
Charge/ (Reversal) for the year	-	-	-	-
Inventory Written Off	-	(2,989)	-	-
At the end of the year	-	-	-	-

9. TRADE AND OTHER RECEIVABLES

9.1 Summary

	Group 2026 (Rs.'000)	Group 2025 (Rs.'000)	Company 2026 (Rs.'000)	Company 2025 (Rs.'000)
Trade Receivables - Other	1,438,300	1,399,517	-	-
- Related Parties (9.2)	-	-	867	25
Other Debtors - Other	118,925	37,355	-	6,023
Advances and Prepayments	57,889	196,091	621	376
Other Receivables	2,069	1,892	1,887	1,887
	1,617,183	1,634,855	3,375	8,313

9.2 Trade Receivables - Related Party

	Relationship	Company 2026 (Rs.'000)	Company 2025 (Rs.'000)
BPPL Enterprises (Private) Limited	Subsidiary	867	-
ECO Spindles (Private) Limited	Sub-Subsidiary	-	25
		867	25

Notes to the Financial Statements

9. TRADE AND OTHER RECEIVABLES (CONTD.)

9.3 Currency-wise Analysis of Trade and Other Receivables

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Sri Lankan Rupees	195,489	262,702	3,375	8,313
United States Dollar	1,338,188	1,310,874	-	-
Sterling pounds	40,478	30,139	-	-
Canadian Dollar	27,519	13,490	-	-
Euro	-	3,176	-	-
Australian Dollar	15,509	14,474	-	-
	1,617,183	1,634,855	3,375	8,313

9.4 Trade Debtors Age Analysis

Group	Total	Neither past due not impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
2026	1,438,300	1,099,051	335,553	3,696	-
2025	1,399,517	1,297,720	101,786	11	-

Company	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
2026	867	867	-	-	-
2025	25	25	-	-	-

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

10. STATED CAPITAL

	Group		Company	
	2026 Number	2025 Number	2026 Number	2025 Number
Ordinary Shares	306,843,357	306,843,357	306,843,357	306,843,357

	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Ordinary Shares	100,372	100,372	100,372	100,372

11. INTEREST BEARING LOANS AND BORROWINGS

11.1 *Group*

	2026			2025		
	Amount Payable within one year (Rs.'000)	Amount Payable after one year (Rs.'000)	Total (Rs.'000)	Amount Payable within one year (Rs.'000)	Amount Payable after one year (Rs.'000)	Total (Rs.'000)
Bank Loan (11.1.1)	1,831,907	880,230	2,712,137	1,865,575	863,891	2,729,466
Bank Overdraft (16.2)	6,557	-	6,557	19,360	-	19,360
	1,838,464	880,230	2,718,694	1,884,935	863,891	2,748,826

11.1.1 *Bank Loan*

	Balance as at 01.04.2025 (Rs.'000)	New Loans Obtained (Rs.'000)	Loan Repayment (Rs.'000)	Exchange Gain / (loss) (Rs.'000)	Balance as at 31.03.2026 (Rs.'000)
Short Term Loan - National Development Bank PLC	1,253,322	2,697,607	(3,366,033)	7,915	592,810
Short Term Loan - Standard Chartered Bank Ltd	288,582	-	(290,127)	1,545	-
Term Loan - National Development Bank PLC	1,160,448	-	(298,862)	58,339	919,925
Term Loan - Hatton National Bank	-	453,120	(75,520)	16,825	394,425
Short Term Loan - Hatton National Bank	-	1,775,764	(983,082)	12,295	804,977
Short Term loan- Hongkong and Shanghai Banking Corporation Limited	27,115	175,270	(203,487)	1,102	-
	2,729,466	5,101,761	(5,217,111)	98,021	2,712,137

11.2 Company

	2026			2025		
	Amount Payable within one year (Rs.'000)	Amount Payable after one year (Rs.'000)	Total (Rs.'000)	Amount Payable within one year (Rs.'000)	Amount Payable after one year (Rs.'000)	Total (Rs.'000)
Bank Loan (11.2.1)	-	-	-	-	-	-
Bank Overdraft (16.2)	1,152	-	1,152	2,821	-	2,821
	1,152	-	1,152	2,821	-	2,821

Notes to the Financial Statements

11.3 Interest Bearing Loans and Borrowings	2026 (Rs.'000) Interest Bearing Loans and Borrowings	2025 (Rs.'000) Interest Bearing Loans and Borrowings
ECO Spindles (Private) Limited		
Term Loan - Hongkong and Shanghai Banking Corporation Limited	-	27,113
Short Term Loan - Hongkong and Shanghai Banking Corporation Limited	-	3,476
Bank Overdraft	518	-
Beira Brush (Private) Limited	-	-
Short Term - National Development Bank PLC	592,810	1,253,322
Term Loan - National Development Bank PLC	919,925	1,160,448
Short Term- Standard Chartered Bank Ltd	-	288,582
Bank Overdraft	4,887	13,022
Short Term - Hatton National Bank	804,977	-
Term Loan - Hatton National Bank	394,425	-
	2,717,024	2,715,375
BPPL Enterprises (Pvt) Ltd		
Bank Overdraft	-	42
	-	42
BPPL Holdings PLC		
Bank Overdraft	1,152	2,821
	1,152	2,821
Total	2,718,694	2,748,826

11.4 Terms and conditions

1) Short Term Loan - National Development Bank PLC

Security - Building

Repayment - To be repaid within 4 month

Interest - 6.5%

2) Long Term Loan - National Development Bank

Ingriya land, building & Brush plant & machinery /Padukka Land & Building / Maugama Land & Building and Filament Plant & Machineries

Repayment - 60 Monthly in equal Installments of USD 83,400

Interest - 1 month SOFR+2.9%

3) Term Loan - Hatton National Bank

Security - Corporate guarantee from BPPL Holdings PLC, Stocks and Debtors

Repayment - 60 Monthly in equal Installments of USD 31,250

Interest - 5.5%

4) Short Term Loan - Hatton National Bank

Security - Corporate guarantee from BPPL Holdings PLC, Stocks and Debtors

Repayment - To be repaid within 5 months

Interest - 5.5%

12. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows:

	Group		Company	
Income Statement	**2026**	**2025**	**2026**	**2025**
Current Income Tax	**(Rs.'000)**	**(Rs.'000)**	**(Rs.'000)**	**(Rs.'000)**
Current Income Tax charge	49,467	105,243	34,700	12,563
Under/(Over) Provision of current taxes in respect of prior years	-	(432)	-	(49)
Deferred Income Tax	-	-	-	-
Deferred Taxation Charge/(Reversal) (12.2)	(34,301)	(62,613)	3,246	2,994
Income tax expense reported in the Income Statement	15,166	42,198	37,946	15,510

12. INCOME TAX (CONTD.)

12.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

	Group		Company	
	2026 (Rs.'000)	**2025 (Rs.'000)**	**2026 (Rs.'000)**	**2025 Rs.**
Accounting Profit before Income Tax	277,786	(12,407)	125,592	50,082
Allowed Expenses	(537,944)	(639,189)	(21,889)	(23,370)
Disallowed Expenses	508,638	534,036	12,000	15,172
Investment Income	(8,041)	(9,899)	(193)	(6)
Non Taxable Item	(15,756)	(417,811)	(30)	-
Taxable Profit/ (Loss)	224,683	(545,271)	115,480	41,878
Other sources of income	6,892	8,330	187	-
Less - Business loss	-	-	-	-
Taxable Income	231,574	346,608	115,667	41,878
Income tax expense reported in the income statement	-	-	-	-
Income tax	49,467	105,243	34,700	12,563
	49,467	105,243	34,700	12,563

12.2 Deferred Tax Expenses / (Income)				
Deferred tax expense / (income) arising due to origination and reversal of timing differences	(34,301)	(62,613)	3,246	2,994

13. DEFERRED TAX

Deferred Income taxes are calculated on all temporary differences under the liability method using the principal tax rate of 15% for Eco Spindles (Pvt) Ltd and 30% for all other companies.

13.1 Deferred Tax Liability /(Assets)	Group		Company	
	2026 (Rs.'000)	**2025 (Rs.'000)**	**2026 (Rs.'000)**	**2025 (Rs.'000)**
Balance as at Beginning of the Year	338,101	328,372	273,552	270,558
Provision / (Reversal) Made During the Year	-	-	-	-
- Due to change in the temporary differences	(24,155)	6,801	3,246	2,994
- Tax on Land revaluation	75,030	-	75,030	-
- Impact on Other Comprehensive Income	(2,970)	2,928	-	-
Balance as at the end of the Year	386,006	338,101	351,828	273,552

Deferred Tax Liability /(Assets)	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Balance as at Beginning of the Year	54,990	(13,648)	-	-
Provision / (Reversal) Made During the Year	10,146	69,414	-	-
Due to change in the temporary differences	-	-	-	-
Tax on Land revaluation	(2,484)	-	-	-
Impact on reclassification on cash flow hedging	-	776	-	-
Impact on Other Comprehensive Income	545	-	-	-
Balance as at the end of the Year	63,197	54,990	-	-

13.1.1 Group

Deferred Tax Liability/Asset	Statement of Financial Position		Other Comprehensive Income		Income Statement	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Deferred tax liability						
Property Plant and Equipment	444,432	417,462	-	-	26,970	30,283
Deferred tax attributable to land revaluation	318,491	240,977	2,484	-	77,514	-
Unrealized Foreign Exchange Gain	(25,313)	56,495	-	-	(81,808)	43,255
ROU & Lease creditor	568	665	-	-	(97)	5
	738,178	715,599	2,484	-	22,579	73,543
Deferred tax asset						
Employee Benefits Liabilities	(26,116)	(19,977)	(3,515)	3,704	(2,624)	150
Tax Loss	(389,254)	(412,512)	-	-	23,258	(137,043)
Impact on reclassification on cash flow hedgeing	-	-	-	-	-	-
Inventory Provision	-	-	-	-	-	736,674
Debtor Provision	-	-	-	-	-	-
	(415,370)	(432,488)	(3,515)	3,704	20,634	(136,156)
Deferred tax charge /(Reversal)	-	-	(1,031)	3,704	43,213	(62,613)
Net deferred tax liability /(Asset)	322,809	283,111	-	-	(77,514)	69,414

13. DEFERRED TAX (Contd)

13.1.2 Company

	Statement of Financial Position		Other Comprehensive Income		Income Statement	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Deferred Tax Liability/Asset						
Deferred tax liability						
Property Plant and Equipment	44,238	41,104	-	-	3,134	2,628
Deferred tax attributable to land revaluation	307,581	232,551	-	-	75,030	-
Unrealized Foreign Exchange Gain	9	(103)	-	-	112	265
ROU & Lease creditor	-	-	-	-	-	102
	351,828	273,552	-	-	78,276	2,994
Deferred tax asset	-	-	-	-	-	-
Employee Benefits Liabilities	-	-	-	-	-	-
Inventory Provision	-	-	-	-	-	-
	-	-	-	-	-	-
Deferred tax charge /(Reversal)	-	-	-	-	3,246	2,994
Net deferred tax liability /(Asset)	351,828	273,552	-	-	-	-

14. EXPENSE ON RETIREMENT BENEFIT OBLIGATION - GRAUITY

	Group		Company	
14.1 Expense recognised in the Statement of Profit or Loss	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Current Service Cost	11,547	11,606	-	-
Interest Cost on Benefit Obligation	8,861	13,690	-	-
	20,408	25,296	-	-
Actuarial (Gain)/Loss on Obligation	13,533	(14,931)	-	-
	13,533	(14,931)	-	-
	33,941	10,365	-	-

14.2 **Defined Benefit Obligation** Changes in the Present Value of the Defined Benefit Obligation are as follows:	Group 2026 (Rs.'000)	Group 2025 (Rs.'000)	Company 2026 (Rs.'000)	Company 2025 (Rs.'000)
Defined Benefit Obligation as at the Beginning of the Period	76,390	90,542	-	-
Interest Cost	8,861	13,690	-	-
Current Service Cost	11,547	11,606	-	-
Benefits Paid	(10,398)	(24,517)	-	-
Transfers	-	-	-	-
	86,400	91,321	-	-
Actuarial (Gain)/Loss on Obligation	13,533	(14,931)	-	-
Defined Benefit Obligation as at the End of the Period	99,933	76,390	-	-

14.3 An Actuarial valuation of the employee retirement benefit liability scheme was carried out by Piyal S Goonetilake and Associates as at 31st March 2026. The principle assumptions used are follows

	Group 2026	Group 2025
Rate of Interest	10.80%	11.60%
Rate of Salary Increase	7%	7%
Retirement Age : Male	60 years	60 years
: Female	60 years	60 years

Assumptions regarding mortality are based on a 1967/70 Mortality Table, issued by The Institute of Actuaries, London.

Notes to the Financial Statements

14.4 Sensitivity of Assumptions Used in the Actuarial Valuation

	Group		Company	
Assumed Change in Financial Assumptions	Effect on Profit or Loss 2026 (Rs.'000)	Effect on Profit or Loss 2025 (Rs.'000)	Effect on Profit or Loss 2026 (Rs.'000)	Effect on Profit or Loss 2025 (Rs.'000)
If Discount Rate Increased By 1%	9,071	6,851	-	-
If Discount Rate Decreased By 1%	(10,628)	(8,005)	-	-
If Salary Increment Rate Increased By 1%	(10,581)	(8,035)	-	-
If Salary Increment Rate Decreased By 1%	9,166	6,972	-	-

14.5 Following payments are expected weighted average life span obligation on the future years:

	Group		Company	
Years from the Current Period	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
1st Following Year	3,850	3,350	-	-
2nd Following Year	7,406	4,034	-	-
3rd Following Year	16,911	4,600	-	-
4th Following Year	16,703	8,852	-	-
5th Following Year	12,088	12,755	-	-
Beyond 5 Years	111,905	105,178	-	-

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Trade Payable - Related Parties (15.1)	-	-	5,750	5,139
- Others	282,068	364,824	153,846	144,013
Other Payables	63,931	131,529	26,417	2,008
Sundry Creditors including Accrued Expenses	65,450	62,437	640	640
	411,449	558,790	186,653	151,800

15.1 Trade Payables - Related Parties

		Company	
	Relationship	2026 (Rs.'000)	2025 (Rs.'000)
Beira Brush (Private) Limited	Subsidiary	5,750	5,139
		5,750	5,139

15.2 Currency-wise Analysis of Trade and Other Payables

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Sri Lankan Rupees	300,053	455,308	186,653	151,800
United Staes Dollar	111,093	103,482	-	-
New Zeland Dollar	303	-	-	-
	411,449	558,790	186,653	151,800

15.3 Trade Payable Age Analysis

Group	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
2026	282,068	224,861	49,729	7,478	-
2025	364,824	259,890	98,804	6,130	-

Company	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
2026	159,597	159,597	-	-	-
2025	149,152	149,152	-	-	-

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
16.1 Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	441,454	303,483	1,202	1,782
	441,454	303,483	1,202	1,782
16.2 Unfavourable Cash and Cash Equivalents Balance				
Bank Overdraft	(6,557)	(19,360)	(1,152)	(2,821)
Cash and cash equivalents for the purpose of Cash Flow Statement	434,897	284,123	50	(1,039)

Notes to the Financial Statements

17. REVENUE

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Export Sales	4,246,262	4,631,203	-	-
Discontinuation of Cash Flow Hedging Instrument	-	(369,679)	-	-
Deemed Export	1,161,607	1,104,526	-	-
Local Sales	206,060	150,784	-	-
Rejected Log Sales	22,672	21,100	-	-
	5,636,601	5,537,934	-	-

18. OTHER OPERATING INCOME

	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Rent Income	-	-	156,902	96,912
Solar income	-	1,412	-	-
Sundry Income	6,458	8,424	187	288
	6,458	9,836	157,089	97,200

19. NET FINANCE INCOME/ (EXPENSES)

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Interest Income on Fixed deposit	1,080	1,242	-	-
Financial assets fair value adjustment	(1,811)	-	-	-
Gain on lease modification	-	2,699	-	-
Interest Income	5,328	351	6	6
	4,597	4,292	6	6

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Finance Expenses				
Interest Expense on Overdrafts	(700)	(532)	(398)	(37)
Lease interest	(3,427)	(9,097)	-	-
Interest Expense on Bank Loans	(171,469)	(229,472)	-	-
	(175,596)	(239,101)	(398)	(37)
Foreign Exchange Gain/(Loss) on Assets and Liabilities	(94,932)	11,723	29	(38)
	(265,931)	(223,086)	(363)	(374)

20. PROFIT/(LOSS) BEFORE TAX

Stated after Charging/(Crediting)

	Group		Company	
	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Including in Cost of Sales				
Depreciation	325,591	403,232	-	-
Personnel Costs including the following;	-	-		
- Defined Benefit Plan Costs -Gratuity	16,845	20,805	-	-
- Defined Contribution Plan Costs - EPF & ETF	18,228	17,019	-	-
Including in Administration Expenses				
Personnel Costs including the following;	-	-	-	-
- Defined Benefit Plan Costs -Gratuity	3,563	4,491	-	-
- Defined Contribution Plan Costs - EPF & ETF	37,130	34,684	-	-
Directors' Fees and Emoluments	2,850	2,850	2,850	2,850
Auditors' Remuneration				
Audit Services	3,296	2,822	770	819
Non-Audit Services	3,494	3,945	1,032	2,792
Depreciation and Amortization	46,585	36,633	11,697	14,530
Including in Selling and Distribution Costs				
Advertising Costs	4,534	4,332	1,640	1,170

Notes to the Financial Statements

21. EARNINGS PER SHARE

21.1 Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

21.2 The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
Amount Used as the Numerator:	**Year ended 2026 (Rs.'000)**	**Year ended 2025 (Rs.'000)**	**Year ended 2026 (Rs.'000)**	**Year ended 2025 (Rs.'000)**
Net Profit/(Loss) Attributable to Ordinary Shareholders for basic Earnings/(Loss) Per Share	262,620	(54,605)	87,646	34,572
Number of Ordinary Shares Used as Denominator:	**As at 2026 Number**	**As at 2025 Number**	**As at 2026 Number**	**As at 2025 Number**
Weighted Average number of Ordinary Shares in issue	306,843,357	306,843,357	306,843,357	306,843,357
Earnings per share	0.86	(0.18)	0.29	0.11

22. DIVIDEND PER SHARE

	Group		Company	
	2026	**2025**	**2026**	**2025**
Declared and Paid During the Year				
Dividend on ordinary shares	153,422	107,395	153,422	107,395
Dividend per share	0.50	0.35	0.50	0.35

23. OTHER COMPONENT OF EQUITY

Revaluation Reserve

The Revaluation Reserve relates to the net surplus on revaluation of Property, Plant and Equipment.

24. FAIR VALUE

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term floating-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2026, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Fair value hierarchy - Group and Company

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Group	31-Mar-2026 (Rs.'000)	Level 1	Level 2	Level 3 (Rs.'000)
Non-Financial Assets Measured at Fair Value				
Land	1,147,800	-	-	1,147,800

Company	31-Mar-2026 (Rs.'000)	Level 1	Level 2	Level 3 (Rs.'000)
Non-Financial Assets Measured at Fair Value				
Land	1,047,800	-	-	1,047,800

25. *FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors (BOD) that advises on financial risks and the appropriate financial risk governance framework for the Company. BOD provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. It is the Company's policy that all derivative activities for risk management purposes are required to be approved by Board of Directors of Beira Group.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the entity's financial performance.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rates sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

	Increase/ (Decrease) in basis points	Effect on Profit Before Tax	
		Group (Rs.'000)	Company (Rs.'000)
2026	+ 100 basis points	27,121	-
	- 100 basis points	(27,121)	-
2025	+ 100 basis points	27,295	-
	- 100 basis points	(27,295)	-

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as LIBOR.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity of net operating cash flows before taxation and derivative financial instruments existing as at 31 March in GBP,CAD and USD to a reasonably possible change of such underlining foreign currencies (GBP,CAD and USD) exchange rate against LKR, with all other variables held constant. The company's exposure to foreign currency changes for all other currencies is not material.

	Foreign Currency	Change in exchange rate	Effect on Profit Before Tax	
			Group (Rs. '000)	Company (Rs. '000)
2025	GBP	1%	405	-
	CAD	1%	275	-
	USD	1%	(15,311)	-
	AUD	1%	155	-
	NZD	1%	(12)	-
2024	GBP	1%	301	-
	CAD	1%	135	-
	USD	1%	(19,474)	-
	AUD	1%	-	-
	NZD	1%	-	-

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities which includes deposits with banks.

Capital Management

The Company monitors the adequacy of capital structure of the company. In determining the capital structure, the Board of Directors is mindful about the controlling interest of the Parent, BPPL Holdings PLC. The objective of the Company is to maintain a balance between access to funds and flexibility through borrowed funds (Long term /Project loans, short term loans and bank overdrafts) rather than using equity funding. Access to source of funds is sufficiently available and financing for operational purposes has already been secured.

Notes to the Financial Statements

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Group	2026 (Rs.'000)	2025 (Rs.'000)
Borrowings (Note 11)	2,718,694	2,748,826
Trade and other payables (Note 15)	411,449	558,790
Less: cash and short-term deposits (Note 16)	(434,897)	(284,123)
Net debt	2,695,246	3,023,493
Equity	4,546,625	4,252,645
Capital and net debt	7,241,872	7,276,138
Gearing ratio	37%	42%

Trade Receivables

Customer credit risk is managed by each company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the credit risk evaluation model and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and contracts are signed and agreed with all credit customers.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for Impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

Financial Instruments and Cash Deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties as per the Treasury Policy and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Treasury Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments.

Liquidity Risk

The Company monitors its risk to a shortage of funds by setting up a minimum liquidity level. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

Group As at 31 March 2026	On Demand (Rs.'000)	Less Than 3 Months (Rs.'000)	3 to 12 Months (Rs.'000)	1 to 5 Years (Rs.'000)	> 5 Years (Rs.'000)	Total (Rs.'000)
Interest-Bearing Loans and Borrowings	6,557	457,977	1,373,930	880,230	-	2,718,694
Trade and Other Payable	-	558,995	-	-	-	558,995
	6,557	1,016,972	1,373,930	880,230	-	3,277,689

As at 31 March 2025	On Demand (Rs.'000)	Less Than 3 Months (Rs.'000)	3 to 12 Months (Rs.'000)	1 to 5 Years (Rs.'000)	> 5 Years (Rs.'000)	Total (Rs.'000)
Interest-Bearing Loans and Borrowings	19,318	486,729	1,378,846	863,891	-	2,748,784
Trade and Other Payable	-	394,885	-	-	-	394,885
	19,318	881,614	1,378,846	863,891	-	3,143,669

Company As at 31 March 2026	On Demand (Rs.'000)	Less Than 3 Months (Rs.'000)	3 to 12 Months (Rs.'000)	1 to 5 Years (Rs.'000)	> 5 Years (Rs.'000)	Total (Rs.'000)
Interest-Bearing Loans and Borrowings	1,152	-	-	-	-	1,152
Trade and Other Payable	-	162,364	-	-	-	162,364
	1,152	162,364	-	-	-	163,516

As at 31 March 2025	On Demand (Rs.'000)	Less Than 3 Months (Rs.'000)	3 to 12 Months (Rs.'000)	1 to 5 Years (Rs.'000)	> 5 Years (Rs.'000)	Total (Rs.'000)
Interest-Bearing Loans and Borrowings	2,821	-	-	-	-	2,821
Trade and Other Payable	-	151,865	-	-	-	151,865
	2,821	151,865	-	-	-	154,686

26. COMMITMENTS AND CONTINGENCIES

26.1 Contingencies

Department of Inland Revenue made an Income Tax Assessment for year of Assessment 2021 / 22 on the following basis

- Deemed interest added on inter-company receivables as at year end
- Foreign exchange losses realized on loan repayment has been disallowed, citing section 18.4 which pertains to thin capitalization

We appealed against the assessment, as advised by E&Y Tax team and currently appeal referred to the Tax Appeals Commission

26.2 Capital Expenditure Commitments

Company does not have significant capital commitments as at the reporting date.

27. ASSETS PLEDGED

	Nature of Assets	Nature of Liability	Carrying Amount Pledged 2026 (Rs.'000)	Carrying Amount Pledged 2025 (Rs.'000)
Eco Spindles(Pvt) Ltd	Stocks and Debtors	HSBC Short Term Loan-HSBC	-	USD 600,000
Beira Brush (Pvt) Ltd	Inventory, Trade Receivable	Short term loan - SCB		USD 3,000,000
		Short term loan –Hatton National Bank	USD 2,500,000	-
		Term loan –Hatton National Bank	USD 1,500,000	
Eco Spindles(Pvt) Ltd	Filament Machinery, Land & Building Maugama	Term Loan - NDB for Beira Brush	USD 4,500,000	USD 3,912,000
Beira Brush (Pvt) Ltd	Plant & Machinery,Ingriya and Plant & Machinery Padukka	Term Loan - NDB	USD 4,500,000	USD 3,912,000
BPPL Holdings Plc	Land & Building, Ingriya	Term Loan - NDB for Beira Brush	USD 4,500,000	USD 3,912,000

28. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, Beira Brush (Pvt) Ltd, a wholly owned subsidiary of BPPL Holdings PLC, entered into a Business Transfer Agreement with Ravi Industries Limited to acquire its customer base together with the rights to use the 'Ravi' trademark and related intellectual property. The minimum consideration under the agreement amounts to Rs. 300 million, payable over a period of five years. This transaction was approved by the Board of Directors on 10 July 2026. The financial effects of the transaction will be reflected in the financial statements for the period in which the transaction is completed.

No other circumstances have arisen since the Statement of Financial Position date, which would require adjustments/discloses to the Financial Statements.

29. RELATED PARTY DISCLOSURES

During the period the Company entered into transactions with the following Related Parties.

29.1 Transaction with Group Companies

Company

Terms and Conditions

The sales to and purchases from related parties are made at terms equivalent to those that in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Nature of Transactions	Subsidiaries (Rs.'000)	Total 2026 (Rs.'000)	Total 2025 (Rs.'000)
Balance as at 1st of April	(5,114)	(5,114)	7,152
Settlements	(53,382)	(53,382)	(102,849)
Settlement of Liabilities on behalf of the Company	53,614	53,614	90,583
Balance as at 31st March	(4,882)	(4,882)	(5,114)

Notes to the Financial Statements

29.2 Recurrent related party transactions

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Beira Brush (Private) Limited	Subsidiary	Sales	-	-	The transactions from related parties are made at terms equivalent to those that in arm's length transaction
		Purchased	-	-	
		Settlement of sales/fund transfer	(56,741,855)	-	
		Expenses paid	56,131,776	-	
Eco Spindles (Private) Limited	Subsidiary	Sales	-		
		Purchased	-		
		Fund Transfer	3,359,368	-	
		Expenses paid	(3,384,761)	-	
BPPL Enterprises	Subsidiary	Expenses paid	867,349		

29.3 Transactions with Directors/ Key Management Personnel

According to LKAS 24, KMPs are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly KMP includes member of Board of Directors and identified senior management personnel of the company and its ultimate parent company BPPL Holdings PLC. Close family members of a KMP are those family members who may be expected to influence or be influenced by, that KMP in their dealing with the company.

Group	2026 (Rs.'000)	2025 (Rs.'000)
Short term employment benefit	26,767	13,829
Post employment benefit	1,796	-
	28,563	13,829
Company		
Short term employment benefit	-	1,077
Post employment benefit	-	-
	-	1,077

29.4 Directors Shareholdings

Name of the Director	Role	No. of Shares 2026	No. of Shares 2025
Dr. Anush Amarasinghe	Chairman / MD (Appointed on 15th May 2025)	NIL	NIL
Mr. B D P D Perera	Executive Director	NIL	NIL
Mr. Muhammed Rizan Jiffrey	Executive Director (Appointed on 01st April 2025)	NIL	NIL
Mr. Ranil Pathirana	NED	NIL	NIL
Mr. Dinesh Dharmadasa	INED (Appointed on 01st July 2025)	NIL	NIL
Mrs. Natasha Boralessa	INED (Appointed on 01st July 2025)	NIL	NIL
Mr. Mohamed Adamaly	INED (Appointed on 01st July 2025)	NIL	NIL

30. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable segments as follows:

Operating Segments	Brush ware		Filament and Yarn		Eliminations and Adjustments		Consolidated	
For the Year Ended 31 March	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)	2026 (Rs.'000)	2025 (Rs.'000)
Revenue - Internal	2,325	19,418	491,364	504,488	(493,689)	(523,906)	-	-
- External	3,839,384	4,215,608	1,797,217	1,322,326	-	-	5,636,601	5,537,934
Cost of Sales	(2,696,713)	(2,951,047)	(1,994,120)	(1,993,079)	491,735	524,007	(4,199,098)	(4,420,118)
Gross Profit	1,144,994	1,283,978	294,461	(166,264)	(1,954)	101	1,437,502	1,117,815
Other Operating Income	198	288	6,260	9,548	-	-	6,458	9,836
Selling and Distribution Expenses	(196,222)	(230,471)	(34,685)	(40,210)	-	-	(230,906)	(270,682)
Administrative Expenses	(464,684)	(455,048)	(204,653)	(191,242)	-	-	(669,337)	(646,290)
Operating Profit	484,288	598,747	61,383	(388,169)	(1,954)	101	543,717	210,680
Net Finance (Cost)/ Income	(280,330)	(187,440)	14,399	(35,647)	-	-	(265,931)	(223,087)
Profit Before Tax	203,958	411,307	75,782	(423,815)	(1,954)	101	277,786	(12,407)
Income Tax Expense	(25,312)	(111,612)	10,146	69,414	-	-	(15,166)	(42,198)
Profit for the Year	178,647	299,695	85,928	(354,401)	(1,954)	101	262,620	(54,605)
Assets & Liabilities								
Balance as at 31 March 2026								
Total Non-Current Assets	6,330,065	6,033,480	2,900,225	3,051,844	(4,359,283)	(4,359,283)	4,871,006	4,726,041
Total Current Assets	2,793,062	2,582,272	1,450,406	1,220,269	(898,936)	(472,198)	3,344,532	3,330,343
Total Assets	9,123,127	8,615,752	4,350,631	4,272,113	(5,258,219)	(4,831,481)	8,215,538	8,056,384
Total Equity	4,791,348	4,592,332	4,167,830	4,070,912	(4,412,553)	(4,410,599)	4,546,625	4,252,645
Total Non-Current Liabilities	1,340,409	1,261,180	47,003	40,877	-	-	1,387,412	1,302,057
Total Current Liabilities	2,991,369	2,762,240	135,798	160,324	(845,666)	(420,883)	2,281,501	2,501,682
Total Liabilities	9,123,127	8,615,752	4,350,631	4,272,113	(5,258,219)	(4,831,481)	8,215,538	8,056,384

Inter-segment revenues are eliminated upon consolidation; and operation results, assets and liabilities of segments are reflected in the eliminations and adjustments column.

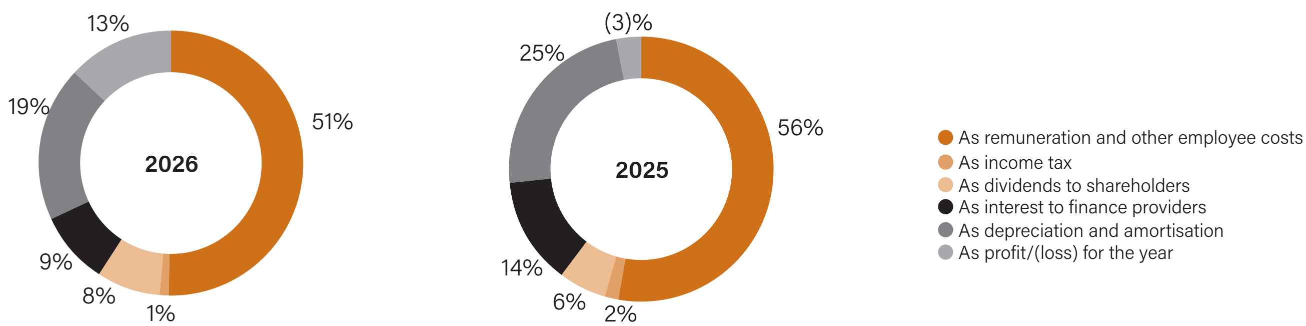
FINANCIAL INFORMATION

For the Year Ended 31 March	Group		Company	
	2026 Rs. ('000)	2025 Rs.('000)	2026 Rs. ('000)	2025 Rs.('000)
Turnover	5,636,601	5,537,934	-	-
Other Operating Income/(Loss)	6,458	9,836	157,089	97,200
Finance Income	4,598	4,293	6	6
Cost of Material & Services	(3,668)	(3,789)	134	75
Value added	1,979,403	1,762,726	291,109	172,044

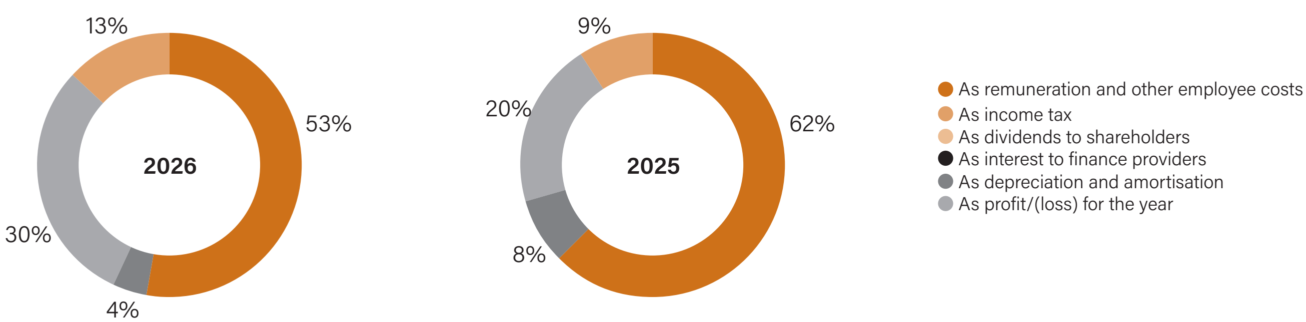
	Group					Company				
	2026 Rs. ('000)	%	2025 Rs.('000)	%	%	2026 Rs. ('000)	%	2025 Rs.('000)	%	%
Distributed as follows:										
To Employess as remuneration and other employee costs	1,000,422	51%	980,363	56%	57%	-	0%	-	0%	55%
To Government as income tax	15,166	1%	42,198	2%	0%	37,946	13%	15,510	9%	15%
To Providers of Capital										
as dividends to shareholders	153,422	8%	107,395	6%	3%	153,422	53%	107,395	62%	13%
as interest to finance providers	175,596	9%	239,100	14%	16%	398	0%	37	0%	1%
Retained in Business										
as depreciation and amortisation	372,177	19%	448,275	25%	18%	11,697	4%	14,530	8%	10%
as profit/(loss) for the year	262,620	13%	(54,605)	-3%	6%	87,646	30%	34,572	20%	7%

For the Year Ended 31 March	Group			Company		
	2026 Rs. ('000)	2025 Rs.('000)	2024 Rs.('000)	2026 Rs. ('000)	2025 Rs.('000)	2024 Rs.('000)
As remuneration and other employee costs	51%	56%	57%		0%	55%
As income tax	1%	2%	0%	13%	9%	15%
As dividends to shareholders	8%	6%	3%	53%	62%	13%
As interest to finance providers	9%	14%	16%	0%	0%	1%
As depreciation and amortisation	19%	25%	18%	4%	8%	10%
As profit/(loss) for the year	13%	-3%	6%	30%	20%	7%

Group



Company



Five Year Summary

For the Year Ended 31 March	2022 (Rs.'000)	2023 (Rs.'000)	2024 (Rs.'000)	2025 (Rs.'000)	2026 Rs. ('000)
Revenue	4,834,955	6,250,891	5,411,506	5,537,934	5,636,601
Profit Before Tax	721,437	706,436	96,383	(12,407)	277,786
Taxation	(71,739)	(195,276)	199	(42,198)	(15,166)
Profit for the Year	649,699	511,160	96,581	(54,605)	262,620
Earnings before Interest and Taxes	774,009	1,012,303	377,995	222,400	448,784
Earnings before Interest, Taxes, Depreciation, and Amortisation	974,654	1,294,718	702,205	568,756	807,179
Cash Profit	806,506	1,046,984	590,930	609,341	715,836
Equity Funds Employed					
Stated Capital	100,372	100,372	100,372	100,372	100,372
Reserves	(339,127)	(168,270)	237,778	606,682	801,482
Retained Earnings	3,307,948	3,683,281	3,696,364	3,545,591	3,644,771
Assets Employed					
Non-Current Assets	4,616,528	4,696,850	4,816,173	4,726,041	4,871,006
Current Assets	3,629,723	3,073,164	2,937,215	3,330,343	3,344,532
Current Liability	2,925,900	2,357,213	2,547,991	2,501,682	2,281,501
Capital Employed (Net Debt Basis)	6,896,377	6,782,427	6,777,106	7,001,471	7,265,319
Cash Flow					
Net Cash Inflow/(Outflow) from Operating Activities	166,777	591,639	364,297	346,576	475,094
Net Cash Inflow/(Outflow) from Investing Activities	(1,028,345)	(129,857)	(365,622)	(196,384)	(243,127)
Net Cash Inflow/(Outflow) from Financing Activities	878,940	(378,408)	(177,391)	158,048	(81,193)
Net Increase/(Decrease) in Cash and Cash Equivalents	17,372	83,374	(178,715)	308,240	150,774
Key Indicators					
Current Ratio	1.24	1.30	1.15	1.33	1.47
Gearing Ratio	125%	82%	67%	56%	47%
Asset Turnover Ratio	0.59	0.80	0.70	0.69	0.69
Earnings per Share (Rs)	2.12	1.67	0.31	(0.18)	0.86
Dividends per Share (Rs)	0.42	-	0.18	0.35	0.50
Net assets per Share (Rs)	10.00	11.78	13.15	13.86	14.82
Return on Equity	21%	14%	2%	-1%	6%
Return on Capital Employed	11%	15%	6%	3%	6%
Interest Cover (Times)	14.72	3.31	1.34	0.95	2.62
Dividend Payout Ratio	20%	0%	57%	-197%	58%

ANNEXURES

INVESTOR INFORMATION

Public Holding as at 31st March 2026

The Company is in compliance with the Minimum Public Holding requirements for Companies listed in the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization is less than Rs.1 Billion with more than 200 Public Shareholders and a Public Holding percentage of 10%.

Ordinary shares of the Company held by the public as at 31st March 2026;

Float-Adjusted Market Capitalization (Rs.)	698,841,882
Percentage of Ordinary Shares Held by the Public	13.72%
Number of Public Shareholders	2,150

There were no non-voting shares as at 31st March 2026.

The Stock Exchange code for BPPL Holdings PLC shares is "BPPL".

List of 25 Major Shareholders Based on their Shareholdings as at 31st March 2026

No	Name of the Shareholder	No. of Shares as at 31st March 2026	%
1	Infinity Capital (Pvt) Ltd	154,382,777	50.31%
2	Mrs. K.U. Amarasinghe	80,546,372	26.25%
3	Hirdaramani Investment Holdings Private Limited	29,816,262	9.72%
4	Mas Capital (Private) Limited	9,208,692	3.00%
5	J.B. Cocoshell (Pvt) Ltd	2,452,734	0.80%
6	Hatton National Bank Plc A/C No.4 (Hnb Retirement Pension Fund)	1,714,885	0.56%
7	People S Leasing And Finance PLC/L.P.Hapangama	1,289,103	0.42%
8	Mrs. D.G.U.P. Jayasekara	999,219	0.33%
9	Jafferjee Brothers Exports (Private) Limited	772,800	0.25%
10	Mr. M.A.H. Esufally	734,585	0.24%
11	Mr. A.A. Hirdaramani	732,100	0.24%
12	Sampath Bank Plc/Yaden Capital (Private) Limited	650,000	0.21%
13	Seylan Bank Plc/Mohamed Mushtaq Fuad	603,872	0.20%
14	Hatton National Bank PLC-Ct CLS A Equity Fund	591,600	0.19%
15	People S Leasing And Finance Plc/Nagoya Ceylon Trading (Pvt) Ltd	586,395	0.19%
16	Mr. M.I. Rasheed	458,164	0.15%
17	Mr. D.C. Fernando	450,000	0.15%
18	Katunayake Garments Limited	419,200	0.14%
19	Mr. K.S.N. Hirdaramani	412,300	0.13%
20	Mr. D.J. De Silva Wijeyeratne	355,000	0.12%
21	Mr. T.H. De Silva	350,000	0.11%
22	Allianz Life Insurance Lanka Limited - A/C No. 02 (Allianz Growth Fund)	346,690	0.11%
23	Mr. T.J. Emmanuel	341,442	0.11%
24	Mr. I.A.H. Esufally	323,336	0.11%
25	Mr. M.J. Fernando	300,000	0.10%
Total		288,837,528	94.14%

Analysis Of Shareholders According To The Number Of Shares As At 31st March 2026

Shareholdings	RESIDENT			NON RESIDENT			TOTAL		
	Number of Shareholders	No of Shares	Percentage (%)	Number of Shareholders	No of Shares	Percentage (%)	Number of Shareholders	No of Shares	Percentage (%)
1 to 1000 Shares	1,134	340,442	0.11	4	2,111	0.00	1,138	342,553	0.11
1001 to 10,000 Shares	657	2,655,659	0.87	3	9,595	0.00	660	2,665,254	0.87
10,001 to 100,000 Shares	298	9,768,644	3.18	0	0	0.00	298	9,768,644	3.18
100,001 to 1,000,000 Shares	49	14,524,081	4.73	1	132,000	0.04	50	14,656,081	4.78
Over 1,000,000 Shares	7	279,410,825	91.06	0	0	0.00	7	279,410,825	91.06
Total	2,145	306,699,651	99.95	8	143,706	0.05	2,153	306,843,357	100.00

Categories of Shareholders

Categories of Shareholders	No of Shareholders	No of Shares
Individual	2,039	99,421,044
Institutional	114	207,422,313
Total	2,153	306,843,357

Share Trading Information

Year Ended	31-Mar-26	31-Mar-25
Highest Price (Rs.)	25.70	24.50
Lowest Price (Rs.)	16.00	16.20
Closing Price (Rs.)	16.60	19.00

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of B P P L Holdings PLC will be held on 23rd September 2026 at 11:00 a.m. at Excel World, Marcopolo Lounge, No. 338 T.B. Jayah Mawatha, Colombo 10 for the following purposes:

1. To read the Notice convening the Meeting.

2. To receive and consider the Annual Report and the Financial Statements for the Financial Year ended 31st March 2026 with the Report of the Auditors thereon.

3. To re-elect as a Director, Mr. B D P D Perera who retires by rotation in terms of Article 81 of the Articles of Association of the Company.

4. To re-elect as a Director, Mr. M R Jiffrey who retires by rotation in terms of Article 81 of the Articles of Association of the Company.

5. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.

6. Any Other Business of which due notice has been given in terms of the relevant laws and regulations.

By Order of the Board
B P P L HOLDINGS PLC

Secretarius (Private) Limited
Secretaries
Colombo

02nd September 2026

Notes:

- A member unable to attend is entitled to appoint a Proxy to attend and vote at the Meeting in his/her place.
- A form of proxy is enclosed for this purpose.
- A proxy need not be a member of the Company.
- Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy
- In order to be valid, the completed Proxy Form must be lodged at the Registered Office of the Company not less than forty eight hours before the time fixed for the Meeting.
- Should Members wish to obtain a hard copy of the Annual Report, they may send a request to the Company by filling the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days, subject to the prevailing circumstances at the time, from the date of receipt of the request.

FORM OF PROXY

I/We..

of..

being a member/members of B P P L HOLDINGS PLC hereby appoint:

Mr./Mrs./Miss..

of..

or failing him/her,

DR. K A AMARASINGHE	of Colombo, or failing him
MR. B D P D PERERA	of Negombo, or failing him
MR. R P PATHIRANA	of Rajagiriya, or failing him
MR. M R JIFFREY	of Colombo, or failing him
MR. U K D DHARMADASA	of Colombo, or failing him
MS. N M BORALESSA	of Battaramulla, of failing her
MR. M ADAMALY	of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 23rd September 2026 at 11:00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	FOR	AGAINST
To re-elect as a Director, Mr. B D P D Perera who retires by rotation in terms of Article 81 of the Articles of Association of the Company.		
To re-elect as a Director, Mr. M R Jiffrey who retires by rotation in terms of Article 81 of the Articles of Association of the Company.		
To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.		

As witness my/our hands on this .... day of.. Two Thousand & Twenty Six.

....

Signature/s

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address and signing in the space provided. Please fill in the date of signature.

2. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

3. If the appointer is a Company/Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or Corporation in accordance with its Articles of Association.

4. The completed Form of Proxy should be deposited at the Registered office of the Company at Level 17, Access Towers, No. 278/4, Union Place, Colombo 2 not later than forty eight hours before the time appointed for the holding of the meeting.

Please fill in the following details:

Name	:	
Address	:	
Join with	:	
Share Folio No.	:	

Corporate Information

Company Name
B P P L Holdings PLC

Date of Incorporation
26th August 1991

Legal Form
Incorporated in Sri Lanka on 26th August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291)], re-registered under the Companies Act No. 07 of 2007 on 21st January 2009 (PB 859), converted to a private limited liability on 20th July 2012 (PB 859 PV),converted to a public company on 29th July 2016 (PB 859 PV) and subsequently converted to Public Quoted Company (PB 859 PQ) on 29th June 2017. Authority of Incorporation: Registrar of Companies (ROC), Colombo.

Company Registration Number
PB 859 PQ

Registered Office and Current Place of Business
B P P L Holdings PLC,
Level 17, Access Towers II,
No. 278/4, Union Place,
Colombo 02.
Tel : +94 11 2307168
Fax: +94 11 2307169

Board of Directors
Dr. Anush Amarasinghe
– Managing Director /
Chief Executive Officer
Mr. B. D. Prasad Devapriya Perera -
Executive Director
Mr. Rizan Jiffrey - Executive Director /
Chief Financial Officer
Mr. Ranil Pathirana –
Non-Executive Director
Mr. U K D Dharmadasa –
Senior Independent Non-Executive Director
Ms. N M Boralessa -
Independent Non-Executive Director
Mr. M Adamaly -
Independent Non-Executive Director

Company Secretary
Secretarius (Pvt) Ltd.
3rd Floor, 40, Galle Face Court 2,
Colombo 03.
Tel : +94 11 2333431
Fax: +94 11 2381907

Company Registrar
S S P Corporate Services (Private) Limited,
101, Inner Flower Road, Colombo 03.
Tel : +94 11 2573894
Fax : +94 11 2573609
Email: sspsec@sltnet.lk

Auditors to the Company
Messrs. Ernst & Young
(Chartered Accountants)
Rotunda Towers,
No. 109, Galle Road,
Colombo 03.
Tel : +94 11 2204444
Fax: +94 11 2697369

Lawyers to the Company
D. L. & F. De Saram Law
Attorneys-at-Law and Notaries Public
No. 47, C.W.W. Kannangara Mawatha, Alexandra Pl, Colombo 07.
Tel: +94 11 2015200
Email: info@desaram.com

Company Website
www.bpplholdings.com

Company E-Mail
info@bpplholdings.com

Bankers to the Company and Group
Bank of Ceylon
04, Bank of Ceylon Mawatha,
Colombo 01.

National Development Bank
42, DHPL Building,
Nawam Mawatha,
Colombo 02.

Sampath Bank
110, Sir James Pieris Mawatha,
Colombo 02.

Hongkong and Shanghai Banking Corporation Limited
24, Sir Baron Jayathilake Mawatha,
Colombo 01.

Hatton National Bank
HNB Towers,
479, T.B. Jayah Mawatha,
Colombo 10.

Standard Chartered Bank
37, York Street,
Colombo 01.

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BPPL

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